



J.P. Morgan Structured Products B.V.
(incorporated with limited liability in The Netherlands)
as Issuer

JPMorgan Chase Bank, N.A.
(a national banking association organised under the laws of the United States of America)
as Guarantor in respect of

**Listing of U.S.\$ 4,046,000 Six-Year Worse Of Defensive
Autocallable Notes linked to a Basket of Indices, due June 2019
(the "Securities" or the "Notes")**

(ISIN: XS0857180458)

**Structured Products Programme for the issuance of
Notes, Warrants and Certificates**

<p>Investing in the Securities puts your capital at risk. You may lose some or almost all of your investment.</p>
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This document (the "**Prospectus**"), which will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu), constitutes a Prospectus for the purposes of Article 5.3 of the Prospectus Directive (as defined below) and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the "**Financial Supervision Act**") and the regulations thereunder (together, "**Dutch Securities Laws**") and relates to the above-referenced Securities issued by J.P. Morgan Structured Products B.V. (the "**Issuer**" or "**JPMSP**") under its Structured Products Programme for the issuance of Notes, Warrants and Certificates (the "**Programme**") and guaranteed by JPMorgan Chase Bank, N.A. (the "**Guarantor**") under the JPMorgan Chase Bank, N.A. Guarantee (as defined in the General Conditions included herein at Annex 1 to the Contractual Terms).

Application has been made to The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) ("**AFM**") in its capacity as competent authority under the Dutch Securities Laws to approve this Prospectus and application has been made for the Securities to be listed on the Official List and to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, which is regulated by Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**").

The AFM has been requested to provide the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the competent authority of Luxembourg for the purposes of the Prospectus Directive, with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive. Further requests may be made in the future.

The Securities are unsecured and unsubordinated general obligations of the Issuer and not of any affiliate of the Issuer.

The JPMorgan Chase Bank, N.A. Guarantee is an unsecured and unsubordinated general obligation of JPMorgan Chase Bank, N.A. and not of any of its affiliates.

The JPMorgan Chase Bank, N.A. Guarantee: (i) is not a savings account or a deposit of JPMorgan Chase Bank, N.A. or any bank or non-bank subsidiary of JPMorgan Chase Bank, N.A.; and (ii) will rank *pari passu* with all other unsecured and unsubordinated indebtedness of JPMorgan Chase Bank, N.A. except obligations, including U.S. domestic deposits of JPMorgan Chase Bank, N.A., that are subject to any priorities or preferences by law.

None of the Securities or the JPMorgan Chase Bank, N.A. Guarantee is a deposit insured by the U.S.

Federal Deposit Insurance Corporation (the "FDIC"), the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality, in the United States or in any other jurisdiction.

SEE THE SECTION ENTITLED "RISK FACTORS" BELOW FOR CERTAIN INFORMATION THAT SHOULD BE CONSIDERED BY INVESTORS IN THE SECURITIES.

Dealer

J.P. Morgan

IMPORTANT NOTICES

Responsibility Statement: Each of JPMS and JPMorgan Chase Bank, N.A. (together, the "Responsible Persons") accepts responsibility for the information given in this Prospectus and confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Consent to use the Prospectus:

The Securities are being offered pursuant to one or more exemptions from the requirements in relation to the making of an offer of securities to the public under the Prospectus Directive in the relevant jurisdiction(s), and are being offered by way of private placement only. The Issuer does not consent to the use of this Prospectus by any financial intermediaries or any other person for the purpose of making a public offering of the Securities, and the Issuer, the Guarantor and the Dealer accept no responsibility for the content of this Prospectus to any person with respect to the making of a public offering of the Securities by any financial intermediary or any other person or for the actions of any financial intermediary or any other person making such offer.

Risk warning: An investment in Securities is subject to a very high degree of complex risks which may arise without warning. Securities may at times be volatile and losses may occur quickly and in unanticipated magnitude. Securities are extremely speculative and purchasers of the Securities bear the risk that they could lose all of their investment. No person should acquire the Securities unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss and any investment in the Securities is consistent with such person's overall investment strategy. Each investor in the Securities (an "Investor") should consider carefully whether the Securities it considers acquiring are suitable for it in the light of such Investor's investment objectives, financial capabilities and expertise. Investors in the Securities may wish to consult their own business, financial, investment, legal, accounting, regulatory, tax and other professional advisers to assist them in determining the suitability of the Securities for them as an investment. See the section entitled "Risk Factors".

No responsibility by the Dealer or by any J.P. Morgan affiliate: The Dealer has not separately verified the information contained in this Prospectus. The Dealer does not make any representation, express or implied, or accept any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor or the Dealer that any recipient of this Prospectus should invest in the Securities. Each Investor should determine for himself or herself the relevance of the information contained in this Prospectus and any investment in the Securities should be based upon such investigation as such Investor deems necessary. The Dealer expressly does not undertake to review the financial condition or affairs of any of the Issuer or the Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any purchaser or Investor of any information coming to the attention of the Dealer. Investors in the Securities are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of Securities for them as an investment. Each Investor should be fully aware of and understand the complexity and risks inherent in Securities before it makes its investment decision in accordance with the objectives of its business.

No authorisation of any person to give any information other than as set out in the Prospectus: No person has been authorised to give any information or to make any representation other than as contained in this Prospectus in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, JPMorgan Chase Bank, N.A., as a Guarantor or J.P. Morgan Securities plc as dealer (the "Dealer"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Credit Ratings: The credit ratings of JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A. referred to in this Prospectus have been issued by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S&P"), Moody's Investors Service, Inc. ("Moody's") and Fitch, Inc. ("Fitch"), none of which is established in the European Union or registered under Regulation (EC) No. 1060/2009, as amended by Regulation (EU) No. 513/2011 (the "CRA Regulation"). The list of credit rating agencies registered under the CRA Regulation (as updated from time to time) is published on the website of the European Securities and Markets Authority (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>). Credit ratings may be adjusted over time, and there is no assurance that these credit ratings will be effective after the date of this Prospectus. A credit rating is not a recommendation to buy, sell or hold any Securities.

No approval or disapproval by the SEC: Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Securities or the JPMorgan Chase Bank, N.A. Guarantee or determined that this Prospectus is accurate or complete. Any representation to the contrary is a criminal offence. The U.S. Office of the Comptroller of the Currency has not approved or disapproved of the JPMorgan Chase Bank, N.A. Guarantee or determined that this Prospectus is accurate or complete.

Jersey Consent: The Jersey Financial Services Commission (the "Commission") has given, and has not withdrawn, its consent under Article 8 of the Control of Borrowing Order to the circulation in Jersey of an offer for subscription, sale or exchange of Securities by the Issuer. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving these consents, the Commission does not take any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to them.

No public offer of Securities in Switzerland: The Securities will not be offered to the public in or from Switzerland and neither this Prospectus nor any other document relating to the Securities may be publicly distributed in Switzerland in connection with any such offering or distribution. The Securities may be offered in Switzerland without any public promotion or advertisement only to selected qualified investors in accordance with the Federal Act on Collective Investment Schemes.

Swiss Investors: None of the Securities constitutes a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and none of the Securities is subject to approval, registration or supervision by the Swiss Financial Market Authority FINMA or any other regulatory authority in Switzerland. Accordingly, Investors do not have the benefit of the specific investor protection provided under the Swiss Federal Act on Collective Investment Schemes and are exposed to the credit risk of the Issuer and the Guarantor.

Certain defined terms: Capitalised terms used herein shall be as defined in "Contractual Terms" unless otherwise specified. In this Prospectus, unless otherwise specified or the context otherwise requires, references to:

- "USD" or "U.S.\$" are to United States dollars;
- "Sterling", "GBP" and "£" are to the lawful currency of the United Kingdom;
- "JPMorgan Chase" are to JPMorgan Chase & Co. and its consolidated subsidiaries;
- "JPMorgan Chase Bank" are to JPMorgan Chase Bank, N.A. and its consolidated subsidiaries; and
- "Prospectus Directive" are to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and all references to the "2010 PD Amending Directive" refer to Directive 2010/73/EU, provided, however, that all references in this document to the "Prospectus Directive" in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and include any relevant implementing measure in the relevant Member State.

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SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

SECTION A – INTRODUCTION AND WARNINGS		
A.1	Introduction and Warnings:	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent(s):	Not applicable. The Issuer does not consent to the use of the Prospectus by any financial intermediaries or any other person for the purpose of making a public offering of the Securities, and the Issuer, the Guarantor and the Dealer accept no responsibility for the content of the Prospectus to any person with respect to the making of a public offering of the Securities by any financial intermediary or any other person or for the actions of any financial intermediary or any other person making such offer.
SECTION B – ISSUER AND GUARANTOR		
B.1	Legal and commercial name of the Issuer:	J.P. Morgan Structured Products B.V. ("JPMSB" or the "Issuer").
B.2	Domicile and legal form of the Issuer, legislation under which it operates and country of incorporation of Issuer:	JPMSB was incorporated as a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) in Amsterdam, The Netherlands. JPMSB mainly operates under the Dutch Civil Code (<i>Burgerlijk Wetboek</i>) and the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>). JPMSB has its registered offices in Amsterdam, The Netherlands.
B.4b	Known trends with respect to the Issuer:	JPMSB's primary objective in 2013 will be the continued development of securitised products for their placement to retail, "high net worth" and institutional investors principally outside of the United States of America, linked to various underlying reference assets including equity, credit, interest rates, commodities and so called

		"alternatives" such as funds and hedge funds.																														
B.5	The Issuer's group:	<p>JPMSP is an indirect, wholly-owned subsidiary of JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. is one of the principal bank subsidiaries of JPMorgan Chase & Co. JPMorgan Chase & Co. (together with its consolidated subsidiaries, "JPMorgan Chase") is a leading global financial services firm and one of the largest banking institutions in the United States, with operations worldwide.</p> <div><div>JPMorgan Chase & Co.</div><div></div><div>JPMorgan Chase Bank, N.A.</div><div></div><div>J.P. Morgan International Inc.</div><div></div><div>Bank One International Holdings Corporation</div><div></div><div>J.P. Morgan International Finance Limited</div><div></div><div>J.P. Morgan Structured Products B.V.</div></div>																														
B.9	Profit forecast or estimate:	Not applicable; no profit forecast or estimate is made.																														
B.10	Qualifications in the audit report on the historical financial information:	Not applicable; there are no qualifications in the audit report on the historical financial information.																														
B.12	Selected historical key financial information of the Issuer:	<table><tr><th colspan="2">in USD</th><th colspan="2">Six months ended 30 June</th><th colspan="2">Year ended 31 December</th></tr><tr><th colspan="2"></th><th colspan="2">(unaudited)</th><th></th><th></th></tr><tr><th></th><th></th><th>2013</th><th>2012</th><th>2012</th><th>2011</th></tr><tr><td>Profit on ordinary activities before taxation:</td><td></td><td>643,000</td><td>818,000</td><td>1,473,000</td><td>2,000,000</td></tr><tr><td>Profit after tax:</td><td></td><td>498,000</td><td>627,000</td><td>1,113,000</td><td>1,347,000</td></tr></table>	in USD		Six months ended 30 June		Year ended 31 December				(unaudited)						2013	2012	2012	2011	Profit on ordinary activities before taxation:		643,000	818,000	1,473,000	2,000,000	Profit after tax:		498,000	627,000	1,113,000	1,347,000
in USD		Six months ended 30 June		Year ended 31 December																												
		(unaudited)																														
		2013	2012	2012	2011																											
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Profit after tax:		498,000	627,000	1,113,000	1,347,000																											

		in USD	Six months ended 30 June	Year ended 31 December
			(unaudited)	
			2013	2012 2011
		Total assets:	19,894,685,000	18,621,678,000 23,248,274,000
		Total liabilities:	19,365,682,000	18,093,173,000 22,720,882,000
		Total shareholders' funds:	529,003,000	528,505,000 527,392,000
	No material adverse change:	There has been no material adverse change in the prospects of JPMSP since 31 December 2012.		
	Significant change:	Not applicable; there has been no significant change in the financial or trading position of JPMSP since 30 June 2013.		
B.13	Recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency:	Not applicable, there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.		
B.14	Issuer's position in its corporate group and dependency on other entities in the corporate group:	<p>See B.5.</p> <p>It is anticipated that JPMSP will, for each issuance, enter into hedging arrangements with other J.P. Morgan affiliates, and that such arrangements will be sufficient to hedge its market risk for each such issuance. Accordingly, the ability of JPMSP to perform its obligations under the Securities may be affected by any inability or failure to perform, pursuant to its hedging arrangements, by such other J.P. Morgan affiliate.</p>		
B.15	Issuer's principal activities:	JPMSP's business principally consists of the issuance of securitised derivatives comprising notes, warrants and certificates, including equity-linked, reverse convertible and market participation notes and the subsequent hedging of those risk positions.		
B.16	Ownership and control of the Issuer:	JPMSP is an indirect, wholly-owned subsidiary of JPMorgan Chase Bank, N.A. See B.5.		
B.18	Nature and Scope of the Guarantee:	The JPMorgan Chase Bank, N.A. Guarantee is an unsecured and unsubordinated general obligation of the Guarantor, and not of any of its affiliates. The JPMorgan Chase Bank, N.A. Guarantee: (a) is not a savings account or a deposit of the Guarantor or any bank or non-bank subsidiary of the Guarantor; and (b) will rank		

		<p><i>pari passu</i> with all other unsecured and unsubordinated indebtedness of the Guarantor except obligations, including U.S. domestic deposits of the Guarantor, that are subject to any priorities or preferences by law.</p> <p>The JPMorgan Chase Bank, N.A. Guarantee is limited to a guarantee of payment and delivery obligations of the Issuer under the Securities, and the Guarantor can avail itself of the same exclusions, exceptions and defences as the Issuer under the terms and conditions of the Securities and at law. Furthermore, under the terms of the JPMorgan Chase Bank, N.A. Guarantee, the Guarantor is not obliged to make payment or delivery in certain circumstances.</p>						
B.19 B.1	Legal and commercial name of the Guarantor:	JPMorgan Chase Bank, N.A. (the " Guarantor ").						
B.19 B.2	Domicile and legal form of the Guarantor, legislation under which it operates and country of incorporation of Guarantor:	The Guarantor is a national banking association organised under U.S. federal law. The Guarantor operates and is subject to regulation under federal and state banking and other laws in the United States, including the National Banking Act and the Federal Deposit Insurance Act, as well as the applicable laws of each of the various jurisdictions outside the United States in which it does business. The registered office of the Guarantor is located in Columbus, Ohio, U.S.A. and its principal place of business is located in New York, New York, U.S.A.						
B.19 B.4b	Known trends with respect to the Guarantor:	The Guarantor's outlook for the remainder of 2013 should be viewed against the backdrop of the global and U.S. economies, financial markets activity, the geopolitical environment, the competitive environment, client activity levels, and regulatory and legislative developments in the United States and other countries where JPMorgan Chase does business. Each of these linked factors will affect the performance of JPMorgan Chase and its lines of business. The Guarantor's activities are organised and integrated with the businesses of JPMorgan Chase.						
B.19 B.5	The Guarantor 's group:	<p>JPMorgan Chase Bank, N.A. is one of the principal bank subsidiaries of JPMorgan Chase & Co. JPMorgan Chase & Co. (together with its consolidated subsidiaries, "JPMorgan Chase") is a leading global financial services firm and one of the largest banking institutions in the United States, with operations worldwide.</p> <table><tr><td colspan="2">JPMorgan Chase & Co.</td></tr><tr><td></td><td>100%</td></tr><tr><td colspan="2">JPMorgan Chase Bank, N.A.</td></tr></table>	JPMorgan Chase & Co.			100%	JPMorgan Chase Bank, N.A.	
JPMorgan Chase & Co.								
	100%							
JPMorgan Chase Bank, N.A.								
B.19 B.9	Profit forecast or estimates:	Not applicable; the Guarantor has not made any profit forecasts or estimates.						
B.19 B.10	Audit report qualifications:	Not applicable; there are no qualifications in the audit report on the consolidated financial statements of the Guarantor for the years ended 31 December 2012 and 2011.						

B.19 B.12	Selected historical key financial information of the Guarantor:	Selected income statement data			
		(in USD millions)	Six months ended 30 June	Year ended 31 December	
			2013	2012	2012
			2012	2011	
			(unaudited)		
		Total net revenue:	38,157	35,961	71,670
		Net income:	10,189	6,225	13,955
					12,456
		Selected balance sheet data			
		(in USD millions)	As at 30 June	As at 31 December	
			2013	2012	2011
			(unaudited)		
		Loans, net of allowance for loan losses:	603,912	606,090	578,648
	No material adverse change:	Total assets:	1,947,794	1,896,773	1,811,678
		Deposits:	1,249,452	1,246,327	1,190,738
		Total stockholders' equity:	151,237	146,025	130,777
	Significant change:	There has been no material adverse change in the prospects of JPMorgan Chase Bank, N.A. since 31 December 2012.			
		Not applicable; there has been no significant change in the financial or trading position of JPMorgan Chase Bank, N.A. and its subsidiaries taken as a whole since 30 June 2013.			
B.19 B.13	Recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency:	Not applicable, there are no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.			

B.19 B.14	Guarantor's position in its corporate group and dependency on other entities in the corporate group:	<p>See B.19 B.5.</p> <p>JPMorgan Chase Bank, N.A.'s activities are organised and integrated with the businesses of JPMorgan Chase and consequently JPMorgan Chase Bank, N.A. is dependent on JPMorgan Chase (including JPMorgan Chase Bank, N.A.'s subsidiaries) to conduct its business.</p>
B.19 B.15	Guarantor's principal activities:	JPMorgan Chase Bank, N.A. offers a wide range of banking services to its customers both in the United States and internationally, including investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management.
B.19 B.16	Ownership and control of the Guarantor:	JPMorgan Chase Bank, N.A. is a wholly owned subsidiary of JPMorgan Chase & Co.
SECTION C – SECURITIES		
C.1	The type and the class of the Securities, including security identification numbers:	<ul style="list-style-type: none"> U.S.\$ 4,046,000 Six-Year Worse Of Defensive Autocallable Notes linked to a Basket of Indices, due June 2019 (the "Securities"). ISIN: XS0857180458; Common Code: 085718045.
C.2	Currency:	United States dollar (" USD " or " U.S.\$ ")
C.5	Restrictions on free transferability:	<ul style="list-style-type: none"> The Securities may not be legally or beneficially owned by any U.S. person at any time nor offered, sold, delivered, pledged, assigned or otherwise transferred or exercised or redeemed at any time within the United States or to, or for the account or benefit of, any U.S. person. Further, the Securities may not be acquired by, on behalf of, or with the assets of any plans subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, other than certain insurance company general accounts.
C.8	Rights attached to the Securities:	<p>Rights: The Securities give the right to each holder of Securities (a "Holder") to receive a potential return on the Securities (see C.18 below), together with certain ancillary rights such as the right to receive notice of certain determinations and events and to vote on future amendments. The terms and conditions are governed under English law.</p> <p>Ranking: The Securities are direct, unsubordinated and unsecured obligations of the Issuer and rank equally with all other direct, unsubordinated and unsecured obligations of the Issuer. The JPMorgan Chase Bank, N.A. Guarantee is an unsecured and unsubordinated general obligation of JPMorgan Chase Bank, N.A. and not of any of its affiliates.</p>

		<p>Limitations to rights:</p> <ul style="list-style-type: none"> Notwithstanding that the Securities are linked to the performance of the Indices, Holders do not have any rights in respect of the Indices. The terms and conditions of the Securities contain provisions for calling meetings of Holders to consider matters affecting their interests generally and these provisions permit defined majorities to bind all Holders, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Further, in certain circumstances, the Issuer may amend the terms and conditions of the Securities, without the consent of the Holders. The terms and conditions of the Securities permit the Issuer and the Calculation Agent (as the case may be), on the occurrence of certain events and in certain circumstances, without the consent of the Holders, to make adjustments to the terms and conditions, to redeem the Securities prior to maturity, to postpone valuation of the Indices or scheduled payments under the Securities, to redenominate the currency of the Securities, to substitute the Issuer with another permitted entity subject to certain conditions, and to take certain other actions with regard to the Securities and the Indices. See also "Unscheduled early termination" below. <p>Unscheduled early termination: The Securities may be terminated prior to the maturity date at the Issuer's option for reasons of tax or illegality under the conditions of the Securities. In such case, the amount payable on early termination shall be, for each Security, an amount representing the fair market value of the Security taking into account all relevant factors (but ignoring the event which resulted in such termination) less all costs incurred by the Issuer or any of its affiliates in connection with such early termination. In such case, if you have purchased the Securities at the Issue Price, the early termination amount may be less than your initial investment and therefore you may lose some or all of your investment.</p>
C.11	Admission to trading:	Application has been made for the Securities to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (which is regulated by Directive 2004/39/EC on Markets in Financial Instruments).
C.15	Effect of underlying instrument(s) on value of investment:	The value of the Securities will depend on the performance of the Indices on each Valuation Date and whether the Securities will redeem early will depend on the performance of the Indices on each Valuation Date (other than the Final Valuation Date). The Final Redemption Amount payable on the Maturity Date will depend on the performance of the Indices on the Final Valuation Date and on each Observation Date (Closing Valuation). If a Barrier Event occurs and if the Final Index Level of the Worse Performing Index for the Final Valuation Date is less than 75 per cent. of its Initial Index Level, you will lose some or almost all of your investment. See C.18 below for further information.
C.16	Maturity Date:	The maturity date is 14 June 2019 (subject to adjustment for non-business days) (the " Maturity Date ").

C.17	Settlement procedure:	Settlement of the Securities shall take place through Euroclear and Clearstream, Luxembourg. The Issuer will have discharged its payment obligations by payment to, or to the order of, the relevant clearing system in respect of the amount so paid.
C.18	Return on the Securities:	<p>The redemption amount payable in respect of the Securities will depend on the performance of the Indices on each Valuation Date and whether the Securities will redeem early will depend on the performance of the Indices on each Valuation Date (other than the Final Valuation Date). The Final Redemption Amount payable on the Maturity Date will depend on the performance of the Indices on the Final Valuation Date and on each Observation Date (Closing Valuation).</p> <ul style="list-style-type: none"> <p>Redemption on an early redemption date: If the official closing level of the Worse Performing Index on any Valuation Date (other than the Final Valuation Date) is greater than or equal to its Early Redemption Level in respect of such Valuation Date (in which case an "Early Redemption Event" shall be deemed to have occurred on such Valuation Date) then, unless the Securities have previously been redeemed, or purchased and cancelled, in accordance with the terms and conditions of the Securities, the Issuer shall redeem each Security (of the Specified Denomination) on the Early Redemption Date in respect of such Valuation Date by payment, in respect of each Security (of the Specified Denomination), of an amount in USD determined in accordance with the following formula (and such amount shall not be subject to any rounding convention):</p> $SD \times \text{Early Redemption Amount}$ <p>Final redemption amount on the maturity date: Unless the Securities have previously been redeemed or purchased and cancelled in accordance with the terms and conditions of the Securities, and provided that an Early Redemption Event has not occurred on any Valuation Date prior to the Final Valuation Date, the Issuer shall redeem each Security (of the Specified Denomination) on the Maturity Date by payment of the Final Redemption Amount, which shall be an amount in USD determined in accordance with paragraph (i) or (ii) below (as applicable):</p> <ul style="list-style-type: none"> (i) if the Calculation Agent determines that the closing index level of the Worse Performing Index for the Final Valuation Date is less than the Barrier Level on any Observation Date (Closing Valuation) during the Observation Period (such an event being a "Barrier Event"), as determined by the Calculation Agent, and: <ul style="list-style-type: none"> (a) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is less than 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be an amount in the Specified Currency, determined by the Calculation Agent in accordance with the following formula: $SD \times \text{Max} \left\{ 0.0001; \text{Min} \left[\left(\frac{\text{Final Index Level}_{\text{Worse}}}{\text{Initial Index Level}_{\text{Worse}}} \right); 1 \right] \right\}; \text{ or}$

		<p>(b) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is greater than or equal to 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be equal to U.S.\$ 1,492; or</p> <p>(ii) if a Barrier Event has not occurred, and:</p> <p>(I) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is less than 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be equal to U.S.\$ 1,000; or</p> <p>(II) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is greater than or equal to 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be equal to U.S.\$ 1,492.</p> <p>Where:</p> <p>"Barrier Level" means, in respect of each Index, 50 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), as determined by the Calculation Agent, and subject to adjustment and correction in accordance with the Conditions, being, in respect of:</p> <p>(i) the UKX Index, 3,291.55; and</p> <p>(ii) the SPX Index, 815.37.</p> <p>"Early Redemption Amount" means, in respect of each Index and the Valuation Date scheduled to fall on:</p> <p>(i) 27 May 2014, 1.082;</p> <p>(ii) 26 May 2015, 1.164;</p> <p>(iii) 24 May 2016, 1.246;</p> <p>(iv) 24 May 2017, 1.328; and</p> <p>(v) 24 May 2018, 1.410.</p> <p>"Early Redemption Date" means, in respect of the Valuation Date scheduled to fall on:</p> <p>(i) 27 May 2014, 30 May 2014;</p> <p>(ii) 26 May 2015, 1 June 2015;</p>
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		<p>and including, the Initial Valuation Date for such Index and ending on, and including, the Final Valuation Date for such Index. There shall be a separate Observation Period for each Index.</p> <p>"SD" means, in respect of each Security, the Specified Denomination, being U.S.\$ 1,000 (or, if less, its outstanding nominal amount).</p> <p>"Worse Performing Index" means, in respect of any date, the Index with the lower Index Performance in respect of such date, as determined by the Calculation Agent, provided that if both Indices have the same Index Performance, the Calculation Agent shall have the sole and absolute discretion to determine which Index shall be the Worse Performing Index in respect of such date.</p> <p>A HOLDER MAY SUSTAIN A LOSS OF SOME OR ALL OF THE AMOUNT INVESTED IN THE SECURITIES.</p>
C.19	Exercise price/final reference price:	Unless the Securities have previously been redeemed or purchased and cancelled (including pursuant to the occurrence of an Early Redemption Event), the official closing level of each Index will be determined on the Final Valuation Date. See C.18 above for further information.
C.20	The underlying assets:	The underlying assets are the FTSE [®] 100 Index (<i>Bloomberg Code: UKX <Index></i>) (the "UKX Index") and the S&P 500 [®] Index (<i>Bloomberg Code: SPX <Index></i>) (the "SPX Index").
SECTION D – RISKS		
D.2	Key risks that are specific to the Issuer, the Guarantor and the Group	<p>Investors in the Securities are exposed to the creditworthiness of the Issuer and the Guarantor:</p> <p>It is possible that the Issuer or the Guarantor could go bankrupt, become insolvent or enter receivership, or otherwise be unable to make the payments owing to investors under the Securities or to fulfil their respective obligations under the Securities to Holders. If that happens, investors will not have the protection of any deposit insurance scheme and will not be secured, and may lose some or all of their money.</p> <p>JPMorgan Chase is a major, global financial services group and, as such, faces a variety of risks that are substantial and inherent in its businesses, and which may affect the Issuer's and the Guarantor's ability to fulfil their respective payment or other obligations under the Securities. These risks include liquidity risk, market risk, credit risk, operational risk, reputational risk, the adequacy of risk management, disclosure controls and procedures and internal control over financial reporting, legal, regulatory and compliance risks, litigation and other contingent liabilities, competition risks, the financial condition of clients, customers and counterparties, adverse economic, monetary, political or legal developments, cross-border and foreign exchange risk, catastrophic events, risks from estimates and valuations, and risks relating to strategy. JPMorgan Chase's results of operations have in the past been, and may in the future be, adversely affected by, among other things, unfavourable U.S. and international financial market and economic conditions, legislative and regulatory developments, judicial and regulatory proceedings, and deficiencies in disclosure controls and procedures and internal control over financial reporting.</p>

		<p>The principal business of JPMSP is the raising and borrowing of money for JPMorgan Chase entities by issuing Securities and undertaking other financing activity. Generally, the proceeds of such activity will be delivered to other JPMorgan Chase entities and JPMSP will be dependent on receipt of funds or on the delivery of other obligations from hedging transactions entered into with other JPMorgan Chase entities to fulfil its respective payment or other obligations under the Securities. Accordingly, JPMSP is exposed to the same risks that affect the Guarantor.</p> <p>Risks that affect JPMorgan Chase & Co. can also affect JPMorgan Chase Bank, N.A. as there is substantial overlap in the businesses of JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. Further, JPMorgan Chase Bank, N.A. can be negatively affected by risks and other events affecting JPMorgan Chase & Co. even where JPMorgan Chase Bank, N.A. is not directly affected.</p>
D.6	Key information on the key risks that are specific to the securities:	<ul style="list-style-type: none"> • <i>Risk that the Securities are not suitable or appropriate for you:</i> The Securities are structured products which include embedded derivatives, and before deciding to purchase Securities you must understand their terms including (i) the potential risk of the loss of some or all of your investment and (ii) the relationship of the potential payout on the Securities to the value and performance of the Indices. You should reach an investment decision only after careful consideration, with your own tax, accounting, legal and other professional advisers, of the suitability of the Securities in the light of your particular financial circumstances and investment objectives and risk profile, and the information set forth in the Prospectus. • <i>Risk of <u>not</u> being capital protected:</i> If a Barrier Event occurs and the Final Index Level of the Worse Performing Index is less than 75 per cent. of its Initial Index Level, you will lose some or almost all of your investment. You should not invest in the Securities unless you can withstand up to a total loss of your invested amount. • <i>Tax risk:</i> The basis and rate of taxation in respect of the Securities and the investors and any reliefs depends on the individual circumstances of each investor and could change at any time. This could have a negative impact on the return of the Securities to an investor. You should seek your own independent tax advice prior to investing. • <i>Unscheduled early termination or adjustment risk:</i> The Issuer may terminate the Securities prior to its scheduled maturity date due to the occurrence of certain events or amend the terms of the Securities due to the occurrence of certain changes in applicable law. In the event of such early termination, the Securities may terminate earlier than you had anticipated and the amount you receive may be lower than the issue price and could be as low as zero. • <i>Risk from having no interest in the Indices:</i> You should be aware that holders of Securities will have no interest whatsoever in any Index, and the Issuer may apply your purchase moneys for any corporate purposes. Therefore, if the Issuer and the Guarantor fail to make the required payments under the Securities, you will not be able to claim against any Index. • <i>Market Risk:</i> The value of the Securities depends on the value and performance of each Index (as determined by the Calculation Agent). The

		<p>past performance of an Index is not indicative of future performance or the value of such Index. The market value of the Securities may be highly volatile and may be adversely affected by a number of factors, such as the credit rating of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co. (which credit ratings may move independently of each other).</p> <ul style="list-style-type: none"> • <i>Lack of liquid secondary market risk:</i> An active trading market for the Securities is not likely to develop. The Securities may have no liquidity or the market for the Securities may be limited and this may adversely impact their value or the ability of a holder of the Securities to sell them. You must be prepared to hold the Securities until the Securities are redeemed, or otherwise terminated. • <i>Secondary market price risk:</i> The purchase price offered to you for the Securities might be less than the price at which you purchased the Securities and will depend on various factors. Such factors include the value and movements of the Indices (as determined by the Calculation Agent), interest rates, inflation rates and the creditworthiness of the Issuer and the Guarantor. <p>The Securities are not principal protected and investors may lose some or up to all of their investment</p>
SECTION E – THE OFFER		
E.2b	Reasons for the offer and use of proceeds:	The net proceeds from the issue of the Securities will be used by the Issuer for its general corporate purposes (including hedging arrangements).
E.3	Terms and conditions of the offer:	<ul style="list-style-type: none"> • The total amount of the issue is U.S.\$ 4,046,000 (the "Aggregate Nominal Amount"). • The issue price is 98.50 per cent. of the Aggregate Nominal Amount. • The Securities have been issued and there is no offer of the Securities to the public. There is no minimum and/or maximum amount of application and there is no underwriting agreement in respect of the Securities. • J.P. Morgan Securities plc of 25 Bank Street, Canary Wharf, London E14 5JP is the Dealer and the Calculation Agent in respect of the Securities.
E.4	Interests material to the issue/offer including conflicting interests:	<p>The fees payable to the Dealer and the fact that JPMorgan Chase affiliates (including the Issuer and the Guarantor) are subject to certain conflicts of interest between their own interests and those of holders of Securities, including:</p> <ul style="list-style-type: none"> • JPMorgan Chase affiliates may take positions in or deal with the Indices; • the Calculation Agent, which is a JPMorgan Chase affiliate, has broad discretionary powers which may not take into account the interests of the Holders; • JPMorgan Chase may have confidential information relating to the Indices and/or the Securities; and • a JPMorgan Chase affiliate may act as a hedge counterparty to the Issuer's

		obligations under the Securities.
E.7	Estimated expenses charged to the investor by the Issuer:	Not applicable; there are no expenses charged to the investor by the Issuer.

RISK FACTORS

Capitalised terms used in this section and not defined herein shall have the respective meaning ascribed to each in the Contractual Terms of this Prospectus, or, if not defined in the Contractual Terms, the meaning ascribed to each in the General Conditions and Specific Product Provisions (as specified to be applicable by the Contractual Terms below and included herein at Annex 1 and Annex 2, respectively, to the Contractual Terms).

Purchase of these Securities involves substantial risks: Investors should ensure that they understand the nature of the risks posed by, and the extent of their exposure under, the Securities. Investors should make all pertinent inquiries they deem necessary without relying on the Issuer, the Guarantor, or the Dealer. Investors should consider the suitability of the Securities as an investment in light of their own circumstances, investment objectives, tax position and financial condition. Investors should consider carefully all the information set forth in this Prospectus along with all the information incorporated by reference into this Prospectus, as specified in the table set out in the "Documents Incorporated by Reference" section.

1. **"Fundamental risks" of the potential loss of investment and potential lack of suitability in relation to an investment in Securities**

1.1 **Investors in Securities may receive back less than the original invested amount**

Investors in Securities may lose up to the entire value of their investment in the Securities as a result of the occurrence of any one or more of the following events:

- (i) If a Barrier Event has occurred and the Final Index Level of the Worse Performing Index (the "**Reference Asset**") is less than 75 per cent. of the Initial Index Level of such Index (each as defined in Schedule 1 to the Contractual Terms), Investors in the Securities will lose some of their investment, and if the Closing Index Level of the Worse Performing Share on the Final Valuation Date is zero, will lose their entire investment.
- (ii) the Issuer and the Guarantor of the Securities are subject to insolvency or bankruptcy proceedings or some other event impairing the ability of each to meet its obligations under the Securities;
- (iii) the investor seeks to sell the Securities prior to their scheduled maturity, and the sale price of the Securities in the secondary market is less than the purchaser's initial investment; and
- (iv) the Securities are subject to certain adjustments in accordance with the terms and conditions of such Securities that may result in the scheduled amount to be paid upon redemption being reduced to or being valued at an amount less than a purchaser's initial investment.

The obligations of the Issuer and the Guarantor of the Securities are not secured. Notwithstanding that the Securities are linked to the performance of the Reference Asset, investors in such Securities do not have and shall not receive any rights in respect of the Reference Asset and shall have no right to call for the Reference Asset to be delivered to them. Neither the Issuer nor the Guarantor of the Securities shall be required to hold the Reference Asset.

1.2 **The Securities may not be a suitable investment for all investors**

Each investor in the Securities must determine the suitability of such investment in light of the investor's own circumstances. In particular, each investor should:

- (i) have sufficient knowledge and experience (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) to evaluate the Securities, the merits and risks of investing in the Securities, all information contained or incorporated by reference into this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of the investor's particular financial situation, an investment in the Securities and the impact the Securities will have on the investor's overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the settlement currency is different from the currency in which such investor's principal financial activities are principally denominated;
- (iv) understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the terms of the Securities, including certain agreements and representations that any person who purchases Securities at any time is required to make, or is deemed to have made, as a condition to purchasing such Security or any legal or beneficial interest therein, and be familiar with any relevant financial markets;
- (v) understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the nature of the Reference Asset and how the performance thereof may affect the pay-out and value of the Securities; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser and/or other professional adviser) possible scenarios for economic, interest rate and other factors that may affect the investment and the investor's ability to bear the applicable risks.

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

None of the Issuer, the Guarantor, the Dealer or any J.P. Morgan affiliate has given, and none of them will give, to any investor in Securities (either directly or indirectly) any assurance or guarantee as to the merits, performance or suitability of such Securities, and the investor should be aware that each of them is acting as an arm's-length counterparty and not as an advisor or fiduciary.

2. **Risk factors that are generic to Securities to be issued under the Programme**

2.1 **The Issue Price of the Securities may be more than the market value of such Securities as at the Issue Date and the price of the Securities in secondary market transactions**

The Issue Price in respect of the Securities may be more than the market value of such Securities as at the Issue Date, and more than the price, if any, at which the Dealer or any other person is willing to purchase such Securities in secondary market transactions. In particular, where permitted by applicable law, the Issue Price in respect of any Securities may take into account amounts with respect to commissions relating to the issue and sale of such Securities and amounts relating to the hedging of the Issuer's obligations under such Securities.

2.2 **The market value and the amount payable on redemption of the Securities may be adversely affected by a number of factors, and the price at which a Holder of those Securities may be able to sell Securities prior to maturity may be at a substantial discount to the market value of such Securities on the Issue Date, and a Holder may suffer a loss of some or the entire invested amount of the Securities on redemption**

(a) ***The Securities are subject to the credit risk of the Issuer and the Guarantor***

The Securities are subject to the credit risk of the Issuer and the Guarantor, and changes in their respective credit ratings and credit spreads may adversely affect the market value of the Securities. Investors are dependent on the Issuer's and Guarantor's ability to pay all amounts due on the Securities, and therefore investors are subject to the credit risk of such JPMorgan Chase entities and to changes in the market's view of the creditworthiness of such JPMorgan Chase entities. Any decline in such credit ratings or increase in the credit spreads charged by the market for taking credit risk on such JPMorgan Chase entities is likely to adversely affect the value of the Securities. If the Issuer and the Guarantor were to default on its payment or other obligations, an investor may not receive any amounts owed to it under the Securities and could lose its entire investment.

- (b) ***The market value of the Securities is expected to be affected, in part, by the credit rating of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co.***

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the creditworthiness of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co. Such perceptions may be influenced by the ratings accorded to outstanding securities of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co. by well-recognised rating agencies, such as Moody's Investors Service Inc., Fitch, Inc. and Standard & Poor's, a division of The McGraw Hill Companies, Inc. A reduction in the rating, if any, accorded to outstanding securities of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co., by one of these rating agencies could result in a reduction in the trading value of the Securities.

- (c) ***The credit rating of JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. may move independently of each other***

JPMorgan Chase & Co. is the holding company of JPMorgan Chase. JPMorgan Chase & Co. and its subsidiaries (other than JPMorgan Chase Bank, N.A.) are generally permitted to undertake a wider range of activities than JPMorgan Chase Bank, N.A. and its subsidiaries. As a result, while the credit rating of JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A. are closely related, those credit ratings are usually different and, in the event of any change in those credit ratings, those ratings may move independently of each other. JPMorgan Chase Bank, N.A. is typically rated more highly than JPMorgan Chase & Co. but there is no assurance that this will always be the case and investors should check the relevant rating at the time of considering any investment in Securities.

The creditworthiness of JPMorgan Chase Bank, N.A. is more likely to affect the trading value of Securities issued by JPMorgan Chase Bank, N.A. and Securities issued by JPMSP, which are guaranteed by JPMorgan Chase Bank, N.A.

- (d) ***The market value of the Securities at any time and/or the amount payable on redemption of the Securities is dependent on the performance of the Reference Asset***

The Securities are linked to the Reference Asset and represent an investment linked to the economic performance of the Reference Asset and investors should note that any return on their investment in such Securities will depend upon the performance of such Reference Asset. Investors should not invest in any Securities if they do not fully understand how the performance of the Reference Asset may affect the pay-out and value of the Securities (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers), including (i) the potential to lose all their investment and (ii) any limit on potential profits.

The return on the Securities will be dependent on the performance of the Reference Asset and the payout formula of the Securities. Therefore, prior to purchasing any Securities, the investor (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment and other professional advisers) will need to take a view as to the expected performance of the Reference Asset (as may be measured by the direction, timing and/or magnitude of its change in the value) and in light of the payout formula of the Securities. However, it is impossible to take a view on the expected performance of the Reference Asset with any degree of certainty, and the Reference Asset may perform very differently than expected, with the result being that the investor may receive a poor return on the Securities and potentially experience a loss on the investment. Investors in Securities must be aware that the historical performance of the Reference Asset should not be taken as an indication of future performance of such Reference Asset during the term of such Security. Actual results will be different, and such differences may be material.

In contrast to a direct investment in the Reference Asset, the Securities represent the right to receive payment of amounts which will be determined by reference to the performance of the Reference Asset. Potential purchasers should also note that whilst the market value of such Securities linked to such Reference Asset will be influenced (positively or negatively) by such Reference Asset, any change may not be comparable or directly proportionate to the change in value of such Reference Asset.

INVESTORS MUST REVIEW THIS PROSPECTUS TO ASCERTAIN HOW THE PERFORMANCE OF THE REFERENCE ASSET WILL AFFECT THE AMOUNT PAYABLE ON THE SECURITIES.

(e) ***The market value of the Securities at any time is dependent on other matters in addition to the credit risk of the Issuer and the Guarantor and the performance of the Reference Asset***

The market value of the Securities at any time will be affected by a number of factors independent of the creditworthiness of the Issuer and the Guarantor and the performance of the Reference Asset, including:

- (i) market interest and yield rates;
- (ii) the time remaining to the Maturity Date; and
- (iii) numerous other economic, political and other factors.

The amount payable in respect of the Securities at any time prior to redemption is typically expected to be less than the trading price of such Securities at that time. The difference between the trading price and such amount will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period remaining to final redemption and expectations concerning the value of the Reference Asset.

Before selling the Securities, Holders should carefully consider, among other things, (i) the trading price of the Securities, (ii) the value and volatility of the Reference Asset, (iii) the time remaining to expiration, (iv) the probable range of amounts payable on the Securities, (v) any changes in interim interest rates and dividend yields, (vi) any changes in currency exchange rates, (vii) the depth of the market or liquidity of the Reference Asset, (viii) any related transaction costs and (ix) any restrictions applicable to the Securities, including certain agreements and representations that any person who purchases Securities at any time is required to make, or is deemed to have made, as a condition to purchasing such Security or any legal or beneficial interest therein.

(f) ***The market value of Securities may be highly volatile***

The Holders of the Securities are exposed to the performance of the Reference Asset. The price, performance or investment return of the Reference Asset may be subject to sudden, large and unpredictable changes over time and this degree of change is known as "volatility". The volatility of a Reference Asset may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Securities.

2.3 **An active trading market for the Securities is not likely to develop**

Unless otherwise communicated by the Issuer or any J.P. Morgan affiliate to the investor in the Securities, or to the extent that the rules of any stock exchange on which the Securities are listed and admitted to trading require the Issuer or any J.P. Morgan affiliate to provide liquidity in respect of such Securities, the Securities may have no liquidity or the market for such Securities may be limited and this may adversely impact their value or the ability of the investor to dispose of them. Subject to the rules of the Luxembourg Stock Exchange, the Issuer or Guarantor may seek the delisting of any Securities without notice to the Holders of such Securities.

A secondary market for the Securities is unlikely to develop and, even if a secondary market does develop, it is not possible to predict the price at which the Securities will trade in such secondary market. Neither the Issuer nor any J.P. Morgan affiliate is under any obligation, and none of the Issuer, the Guarantor or any J.P. Morgan affiliate makes any commitment, to make a market in or to repurchase the Securities. If the Issuer, the Guarantor or any J.P. Morgan affiliate does make a market for the Securities, it may cease to do so at any time without notice.

2.4 **There may be price discrepancies with respect to the Securities as between various dealers or other purchasers in the secondary market**

If at any time a third party dealer quotes a price to purchase Securities or otherwise values the Securities, that price may be significantly different (higher or lower) from any price quoted by any J.P. Morgan affiliate. Furthermore, if any Holder sells its Securities, the Holder will likely be charged a commission for secondary market transactions, or the price may reflect a dealer discount.

2.5 **The Securities may be redeemed or terminated (as applicable) prior to their scheduled final maturity**

Securities may be redeemed or terminated (as applicable) prior to maturity for any of the following reasons:

- (i) the occurrence of a mandatory early redemption event (which will occur if the Closing Index Level of the Worse Performing Index on any Valuation Date (other than the Final Valuation Date) is greater than or equal to its Early Redemption Level, as specified in Schedule 1 to the Contractual Terms;
- (ii) the occurrence of certain events or other circumstances in relation to a Reference Asset at the discretion of the Calculation Agent (see the Specific Product Provisions);
- (iii) the Issuer determines that its performance under any Security has become unlawful in whole or in part for any reason (see General Condition 16 (*Early Redemption or Termination for Illegality*));
- (iv) in certain circumstances where the Issuer determines that it will become subject to withholding tax on payments made to it as a result of Holders failing to provide information required by FATCA, there is a substantial likelihood that it will violate any requirement of, or an agreement entered into with a taxing authority with respect to, FATCA or there is a substantial likelihood that a series of Securities will be treated, for U.S. federal income tax purposes, as being in bearer form (see General Condition 17.3 (*Early Redemption or Termination for Taxation - FATCA*));
- (v) the occurrence of certain taxation events with respect to the Securities (see General Condition 17.4 (*Early Redemption or Termination for Taxation – Additional Amounts/Underlying Hedge Transactions*)); or
- (vi) following an Event of Default (see General Condition 15 (*Events of Default*)).

On early redemption or termination due to any of the circumstances described in (iv)-(vi) above, the Holder will receive (subject in the case of (vi) to claims of other creditors) the "Early Payment Amount" in full and final settlement of the Securities. The "Early Payment Amount" is the fair market value of the Securities, less all costs incurred by or on behalf of the Issuer in connection with such early redemption or settlement, including costs of unwinding any related funding and/or hedging arrangements of the Issuer, and all other expenses, all as determined by the Calculation Agent. **The Early Payment Amount may be less than the original purchase price of the Securities and could be as low as zero.** See risk factor 1.1 (*Investors in Securities may receive back less than the original invested amount*).

Following early redemption or termination of Securities, a Holder may not be able to reinvest the proceeds at an effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Investors in Securities should consider such reinvestment risk in light of other investments available at that time.

2.6 **JPMorgan Chase is subject to various potential conflicts of interest in respect of the Securities, which could have an adverse effect on the Securities**

(a) ***JPMorgan Chase affiliates may take positions in or deal with the Reference Asset***

The Issuer, the Guarantor and/or other JPMorgan Chase affiliates:

- in the ordinary course of business, effect transactions for their own account or for the account of their customers and hold long or short positions in the Reference Asset or related derivatives;
- in connection with an offering of Securities, enter into one or more hedging transactions with respect to the Reference Asset or related derivatives; and/or
- in connection with such hedging or market-making activities or with respect to proprietary or other trading activities, enter into transactions in the Reference Asset or related derivatives,

which, in each case, may adversely (or positively) affect the price, liquidity or value of the Securities and which could therefore be adverse to the interests of the Holders.

- (b) ***The Calculation Agent, which is a JPMorgan Chase affiliate, has broad discretionary powers which may not take into account the interests of the Holders***

As the Calculation Agent is a JPMorgan Chase affiliate, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. For example, the Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to the Securities have occurred and (ii) to determine any resulting adjustments and calculations or substitutions as described in such conditions. Investors should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all Holders.

- (c) ***JPMorgan Chase may have confidential information relating to the Reference Asset and the Securities***

Certain JPMorgan Chase affiliates may from time to time, by virtue of their status as underwriter, advisor or otherwise, possess or have access to information relating to the Securities, the Reference Asset and any derivative Securities referencing them. Such affiliates will not be obliged to disclose any such information to a purchaser of the Securities.

- (d) ***A JPMorgan Chase affiliate may act as a hedge counterparty to the Issuer's obligations under the Securities***

Certain JPMorgan Chase affiliates may be the counterparty to the hedge of the Issuer's obligations under an issue of Securities. Accordingly, certain conflicts of interest may arise both among such affiliates and between the interests of such affiliates and the interests of purchasers of Securities.

- 2.7 **Any consequential postponement of, or any alternative provisions for, valuation following a Market Disruption Event may have an adverse effect on the value of the Securities**

If the Calculation Agent determines that a Market Disruption Event has occurred or exists on an Initial Valuation Date, Valuation Date or other date, any consequential postponement of, or any alternative provisions for, valuation provided in such Security may have an adverse effect on its value.

- 2.8 **It may not be possible to use the Securities as a perfect hedge against the market risk associated with investing in a Reference Asset**

Investors intending to invest in the Securities to hedge against the market risk associated with investing in the Reference Asset should recognise the complexities of utilising the Securities in this manner. For example, the value of the Securities may not exactly match the value of the Reference Asset. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will match movements in the value of the Reference Asset. For these reasons, among others, it may not be possible to purchase or liquidate Securities in a portfolio at the prices used to calculate the value of the Reference Asset.

- 2.9 **There may be regulatory consequences to the Holder of holding Securities linked to the Reference Asset**

There may be regulatory and other consequences associated with the ownership by certain investors in certain Securities linked to the Reference Asset. Each investor in Securities must conduct its own investigation into its regulatory position with respect to the potential investment in Securities, and none of the Issuer, the Guarantor, the Dealer or the Arranger assumes any obligation or liability whatsoever to such investor in such regard.

- 2.10 **The occurrence of a Payment Disruption Event may lead to a delayed and/or reduced payment**

A "Payment Disruption Event" is an event which (a) prevents, restricts or delays the Issuer from converting or delivering relevant currencies, (b) imposes capital or exchange controls, (c) implements

changes to laws relating to foreign investments, or (d) otherwise prohibits or prevents the Issuer from making a payment or performing an obligation required of it as a result of war, catastrophe, governmental action or other event beyond its control. Where the Calculation Agent determines that a "Payment Disruption Event" has occurred or is likely to occur, then the Maturity Date or any relevant payment date with respect to the Securities may be postponed to a date falling 14 calendar days after the date on which the Payment Disruption Event is no longer occurring. No interest shall accrue and no Event of Default will result on account of such postponement. Partial payments may be paid during such period (after deduction for any expenses). In the event that a Payment Disruption Event is still continuing on the date which is one year after the last scheduled payment date for the Securities, then the outstanding payment obligations of the Issuer shall be deemed to be reduced to zero, and the Issuer shall have no further obligations whatsoever under the Securities.

2.11 Securities may be amended without the consent of the Holders or with the consent of only some of the Holders binding all of the Holders of Securities

Subject as provided below, the terms and conditions of Securities may be amended by the Issuer without the consent of the Holders if the amendment:

- (a) is of a formal, minor or technical nature; or
- (b) is made to cure a manifest or proven error; or
- (c) is made to cure any ambiguity or is made to correct or supplement any defective provisions of the Securities or the Agency Agreement (as applicable); or
- (d) is made to correct an error or omission such that, in the absence of such correction, the terms of the Securities would not otherwise represent the intended terms of the Securities on which the Securities were sold and have since traded; or
- (e) will not materially and adversely affect the interests of the Holders of the Securities.

See General Condition 22.1(a) (*Modification without Holder consent (Securities other than French Securities and German Securities)*).

In addition, other changes may be made to the terms and conditions with the consent of the Holders. In order to make such changes, the Issuer requires the consent of at least 50 per cent. of the Holders (in the case of minor amendments) or at least 75 per cent. of the Holders (in the case of more fundamental amendments). If the amendment is approved, any dissenting Holders will be bound by such changes. Therefore the Issuer may be able to make a change which certain Holders have voted against if 50 per cent. or 75 per cent. (as the case may be) of the Holders of the entire series of Securities have approved the change. See General Condition 22.1(c) (*Modification and waiver with Holder consent (Securities other than French Securities and German Securities)*).

2.12 The Issuer of Securities may be substituted without the consent of the Holders

The Issuer of Securities may be substituted as the Issuer of Securities in favour of JPMorgan Chase & Co. or any of its subsidiaries, without the consent of the Holders or any right of the Holders to object to such substitution. In the case of the Securities, the right of substitution is subject to: (i) the Issuer or the Guarantor having become obliged (due to a change in law) to pay Additional Amounts in accordance with General Condition 17.1 (*Obligation to Pay Additional Amounts*) or (ii) the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer incurring a materially increased tax cost in performing its obligations in relation to underlying hedging transactions (due to a change in law)). The right of substitution is conditional on certain terms, including that (a) the new issuer provide an indemnity in favour of the Holders of such Securities in relation to any additional tax or duties that become payable solely as a result of such substitution and (b) the Securities will remain guaranteed by the Guarantor. See General Condition 26 (*Substitution*).

2.13 Additional Amounts on account of withholding tax will not be payable on the Securities in certain circumstances

The Issuer will not pay "Additional Amounts" (as defined in General Condition 17.1 (*Obligation to pay Additional Amounts*) below) to Holders of Securities should withholding taxes become payable on payments of principal or interest by or within a Relevant Jurisdiction where:

- (i) the Holder is a resident within that Relevant Jurisdiction; or
- (ii) one or more customary or other exceptions (as detailed in General Condition 17.2 (*Circumstances in which Additional Amounts will not be paid*) below) to "Gross up" obligation applies.

In addition, the Issuer will not pay "Additional Amounts" to Holders of Securities:

- (iii) in respect of any withholding taxes imposed pursuant to FATCA; or
- (iv) in respect of U.S. withholding taxes on payments treated as "dividend equivalent" payments under Section 871(m) of the U.S. Internal Revenue Code (see "Taxation – United States Federal Income Taxation – Taxation of Securities issued by JPMorgan Chase & Co., JPMorgan Chase Bank, N.A. or J.P. Morgan Indies SRL – Taxation of Non-U.S. Holders - U.S. Withholding Taxes - U.S. Federal Income Tax Withholding on Dividend Equivalent Payments" in the 2013 Base Prospectus) where:
 - (A) in the reasonable determination of the Issuer, such withholding tax would not have been imposed but for the Holder or beneficial owner (or a related party thereof) (x) engaging in a transaction other than the mere purchase of the Security (whether or not in connection with the acquisition, holding or disposition of the Security) that establishes the withholding obligation, (y) failing to take reasonable measures to secure a refund of the withholding taxes to which it is entitled or (z) failing to establish an exemption or reduced rate of withholding, including, under the benefits of an applicable treaty; or
 - (B) one or more customary exceptions (as detailed in General Condition 17.2 (*Circumstances in which Additional Amounts will not be paid*) below) to the "Gross up" obligation applies.

In all other circumstances, the Issuer will pay Additional Amounts should withholding taxes become payable on payments of principal or interest by or within a Relevant Jurisdiction.

2.14 Payments to Holders in respect of the Securities and payments received by JPMSP may be subject to withholding taxes, which may give rise to a right for JPMSP to redeem or terminate the Securities early

Under any of (i) U.S. tax legislation commonly known as the Foreign Account Tax Compliance Act, (ii) analogous provisions of non-U.S. laws, (iii) an intergovernmental agreement in furtherance of such legislation or laws, or (iv) an individual agreement entered into with a taxing authority pursuant to such legislation or laws (collectively, "**FATCA**"), the Issuer or an intermediary may be required to withhold a U.S. withholding tax of 30 per cent. on payments, including principal and gross proceeds, made on or after 1 July 2014 to certain Holders in respect of the Securities. In particular, the withholding tax may apply to payments in respect of Securities made to (i) (unless exempt or otherwise deemed to be compliant) a non-U.S. Holder or beneficial owner that is a foreign financial institution (an "**FFI**") that does not have in place an effective reporting and withholding agreement with the U.S. Internal Revenue Service (the "**IRS**") (such an FFI, a "**non-compliant FFI**"), and (ii) other Holders or beneficial owners that do not comply with the Issuer's or any intermediary's requests for ownership certifications and identifying information or, if applicable, for waivers of any law prohibiting the disclosure of such information to a taxing authority (such Holders and beneficial owners, "**Recalcitrant Holders**"). In the event that the Issuer or an intermediary is required to deduct a withholding tax under FATCA, no additional amounts will be paid to the Holder or beneficial owner of the Security.

Under FATCA, JPMSP (a "**Non-U.S. Issuer**") may also be subject to a withholding tax of 30 per cent. on certain payments made to such Issuer on or after 1 July 2014 if it does not comply with the relevant requirements under FATCA. In the event such Non-U.S. Issuer determines that there is a substantial

likelihood that payments made to it would be subject to withholding tax under FATCA or if the Issuer otherwise determines in good faith that there is a substantial likelihood that it will violate any requirement of, or an agreement entered into with a taxing authority with respect to, FATCA, **it is possible that a portion or all the Securities issued by such Non-U.S. Issuer will be redeemed or terminated at the Early Payment Amount (which amount may be less than the purchase price paid by the Holder, depending on the fair market value of the Securities at the relevant time and associated costs of the Issuer to be deducted).**

It is anticipated that the Issuer will comply with any due diligence, reporting and withholding requirements under FATCA. The Issuer may be required, among other things, to withhold 30 per cent. on payments made to Holders that are non-compliant FFIs or to Recalcitrant Holders. Should the Issuer or intermediary withhold on payments pursuant to FATCA, there will be no "gross up" (or any other additional amount) payable by way of compensation to such Holders or beneficial owners for the amounts deducted.

See also "*Taxation – United States Federal Income Taxation - FATCA*" in the 2013 Base Prospectus.

3. **Risk factors that are generic to Securities that are linked to the Reference Asset**

3.1 **No rights of ownership in the Reference Asset**

Investors in Securities should be aware that the Reference Asset will not be held by the Issuer for the benefit of the investors in such Securities, and as such, investors will not obtain any rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to the Reference Asset. No J.P. Morgan affiliate is under any obligation whatsoever to acquire and hold the Reference Asset.

3.2 **The performance of the Securities is linked to the performance of the Reference Asset**

As the Securities reference the Reference Asset, the investors in such Securities are exposed to the performance of such Reference Asset.

3.3 **The past performance of the Reference Asset is not indicative of future performance**

Any information about the past performance of the Reference Asset at the time of the issuance of the Security should not be regarded as indicative of the range of, or trends in, fluctuations in the Reference Asset that may occur in the future. Actual results will be different, and such differences may be material.

3.4 **Postponement or alternative provisions for the valuation of the Reference Asset may have an adverse effect on the value of the Securities**

If the Calculation Agent determines that any scheduled valuation date (i) falls on a day which is not a Scheduled Trading Day or any other day which is subject to adjustment in accordance with the terms and conditions of the Securities and/or (ii) any form of disruption event in relation to the Reference Asset has occurred which affects the valuation of such Reference Asset, the Calculation Agent has broad discretion to institute any consequential postponement of, or any alternative provisions for, valuation of such Reference Asset provided in the terms and conditions of the Securities, including a determination of the value of such Reference Asset by the Calculation Agent in its reasonable commercial discretion, each of which may have an adverse effect on the value of the Securities.

3.5 **The Calculation Agent has broad discretion to make certain determinations and adjustments, to replace the original Reference Asset with another and/or to cause early redemption of the Securities, any of which may be adverse to Holders**

The Calculation Agent may in certain circumstances adjust the terms and conditions of the Securities (without the consent of the Holders) or may procure the early redemption of such Securities prior to their scheduled maturity date where particular adjustment events specified to be applicable to such Securities occur, in each case, in accordance with such terms and conditions. In the event of such early termination the Issuer will repay such Securities at the Early Payment Amount, which will be determined on the basis of an amount determined by the Calculation Agent equal to the fair market value of such Securities immediately prior to such early redemption less any cost to the Issuer, or any

affiliate of the Issuer which is hedging the Securities on the Issuer's behalf, of unwinding such hedging transaction. Investors in Securities should be aware that it is likely that such Early Payment Amount will be less than the investor's initial investment. See risk factor 1.1 (*Investors in Securities may receive back less than the original invested amount*) above. Following any such early redemption of Securities, the investors in such Securities may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Investors in Securities should consider such reinvestment risk in light of other investments available at that time.

3.6 **Risks associated with Indices as the Reference Assets**

An investment in Index Linked Securities entails significant risks in addition to those associated with investments in a conventional debt security.

(a) ***Factors affecting the performance of Indices may adversely affect the value of the Securities***

The Indices are comprised of a synthetic portfolio of shares, and as such, the performance of the Index is dependent upon the macroeconomic factors relating to the shares that comprise such Index, which may include interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, market liquidity for the shares, shareholder structure and dividend policy.

(b) ***Exposure to the risk that returns on the Securities do not reflect a direct investment in the underlying shares comprising the Index***

The return payable on Securities that reference Indices may not reflect the return an investor would realise if he or she actually owned the relevant assets comprising the components of the Index. For example, Holders will not receive any dividends paid on the shares comprising the components of the Indices and will not participate in the return on those dividends unless the Index takes such dividends into account for purposes of calculating the relevant level. Similarly, Holders will not have any voting rights in the underlying shares which comprise the components of the Index. Accordingly, an investor in the Securities, which reference the Index as the Reference Asset, may receive a lower payment upon redemption of such Securities than such investor would have received if he or she had invested in the components of such Index directly.

(c) ***Loss of return of dividends in respect of most Securities linked to equity Indices***

The rules governing the composition and calculation of the Index stipulate that dividends distributed on its components are not included in the calculation of the index level, which may result in a decrease in the index level if all other circumstances remain the same. In such cases the Holders of the Securities will not participate in dividends or other distributions paid on the components comprising the Index.

(d) ***A change in the composition or discontinuance of the Index could adversely affect the market value of the Securities***

The sponsor of the Index may add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The changing of components of the Index may affect the level of such Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the Issuer to the investors in the Securities. The sponsor of the Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the investor in the Securities, and any of these actions could adversely affect the market value of the Securities.

(e) ***Exposure to Index Modification, Index Cancellation, Index Disruption and Correction of Index levels***

The Calculation Agent has broad discretion to make certain determinations and adjustments, to replace the original Reference Asset with another and/or to cause early redemption or termination of the Securities in connection with Index Modification, Index Cancellation and Index Disruption, any of

which may be adverse to Holders. The Calculation Agent may determine that the consequence of any such event is to make adjustments to the Securities, or to replace such Index with another or to cause early redemption of the Securities. The Calculation Agent may (subject to the terms and conditions of the Securities) also amend the Index level due to corrections in the level reported by the Index Sponsor.

4. **The potential for the value of the Securities to increase may be limited**

If a Barrier Event has occurred and the Final Index Level of the Worse Performing Index is greater than or equal to 75 per cent. of its Initial Index Level or if a Barrier Event has not occurred and (i) if the Final Index Level of the Worse Performing Index is less than 75 per cent. of its Initial Index Level or (ii) if the Final Index Level of the Worse Performing Index is greater than or equal to 75 per cent. of its Initial Index Level (each as defined in Schedule 1 to the Contractual Terms) then the final redemption amount shall be a fixed amount per Security. The Holder's ability to participate in the increase in value of the Reference Asset will be limited and the Holder's return on the Securities may be significantly less than if the Holder had purchased the Reference Asset directly.

5. **Risk factors that may affect the Issuer's and the Guarantor's ability to fulfil their respective obligations under the Securities**

JPMorgan Chase Bank, N.A. and its subsidiaries are also subject to each of the risks below, in addition to further risks. Risks that affect JPMorgan Chase & Co. can also affect JPMorgan Chase Bank, N.A. as there is substantial overlap in the businesses of JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. Further, JPMorgan Chase Bank, N.A. can be negatively affected by risks and other events affecting JPMorgan Chase & Co. even where JPMorgan Chase Bank, N.A. is not directly affected. For example, where JPMorgan Chase & Co.'s reputation is damaged, JPMorgan Chase Bank, N.A.'s reputation would likely also be damaged which could negatively affect JPMorgan Chase Bank, N.A.

JPMSP is an indirect wholly owned subsidiary of JPMorgan Chase & Co. It is anticipated that JPMSP will, for each issuance, enter into hedging arrangements with other J.P. Morgan affiliates, and that such arrangements will be sufficient to hedge their respective market risk for each such issuance. The ability of JPMSP to perform its obligations under the Securities may be affected by any inability or failure to perform, pursuant to their respective hedging arrangements, by any other J.P. Morgan affiliate. Accordingly, JPMSP is exposed to the same risks that affect the Guarantor.

5.1 **Regulatory Risk**

(a) ***JPMorgan Chase operates within a highly regulated industry, and JPMorgan Chase's businesses and results are significantly affected by the laws and regulations to which it is subject***

As a global financial services firm, JPMorgan Chase is subject to extensive and comprehensive regulation under federal and state laws in the United States and the laws of the various jurisdictions outside the United States in which JPMorgan Chase does business. These laws and regulations significantly affect the way that JPMorgan Chase does business, and can restrict the scope of its existing businesses and limit its ability to expand its product offerings or to pursue acquisitions, or can make its products and services more expensive for clients and customers.

The U.S. Department of the Treasury, the Financial Stability Oversight Council ("FSOC"), the SEC, the CFTC, the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"), the OCC, the Bureau of Consumer Financial Protection ("**CFPB**") and the FDIC are all engaged in extensive rule-making mandated by the Dodd-Frank Act, and a substantial amount of the rule-making remains to be done. As a result, the complete impact of the Dodd-Frank Act on JPMorgan Chase's business, operations and earnings remains uncertain. Certain aspects of the Dodd-Frank Act and such rule-making are discussed in more detail below.

Debit interchange. JPMorgan Chase believes that, as a result of the "Durbin Amendment" provisions of the Dodd-Frank Act, which limit the amount that JPMorgan Chase can charge for each debit card transaction, JPMorgan Chase's annualised net income has been reduced by approximately \$600 million per year. Although JPMorgan Chase continues to consider various actions to mitigate this reduction in net income, it is unlikely that any such actions will wholly offset such reduction.

Volcker Rule. Until the final regulations under the Volcker Rule are adopted, the precise definition of prohibited "proprietary trading", the scope of any exceptions, including those related to market-making

and hedging activities, and the scope of permitted hedge fund and private equity fund investments remain uncertain. It is unclear under the proposed rules whether some portion of JPMorgan Chase's market-making-related and risk mitigation activities, as currently conducted, will be required to be curtailed or will be otherwise adversely affected. In addition, the rules, if enacted as proposed, could prohibit JPMorgan Chase's participation and investment in certain securitisation structures and could bar JPMorgan Chase from sponsoring or investing in certain non-U.S. funds. Also, should regulators not exercise their authority to permit JPMorgan Chase to hold certain investments, including those in illiquid private equity funds, beyond the minimum statutory divestment period, JPMorgan Chase could incur substantial losses when it disposes of such investments. JPMorgan Chase may be forced to sell such investments at a substantial discount in the secondary market as a result of both the constrained timing of such sales and the possibility that other financial institutions are likewise liquidating investments at the same time.

Derivatives. In addition to imposing comprehensive regulation on JPMorgan Chase's derivatives businesses, the Dodd-Frank Act also requires banking entities, such as JPMorgan Chase, to significantly restructure their derivatives businesses, including changing the legal entities through which such businesses are conducted. Further, some of the rules for swaps will apply extraterritorially to U.S. firms doing business with clients outside of the United States. Clients of non-U.S. firms doing business outside the United States may not be required to comply with the same rules in similar transactions. This disparity in the application of the different rules could place JPMorgan Chase at a significant competitive disadvantage to its non-U.S. competitors, which could have a material adverse effect on the earnings and profitability of JPMorgan Chase's wholesale businesses.

Heightened prudential standards for systemically important financial institutions. Under the Dodd-Frank Act, JPMorgan Chase is considered to be a systemically important financial institution and is subject to heightened prudential standards and supervision. If the proposed rules issued by the Federal Reserve in December 2011 are adopted as currently proposed, they are likely to increase JPMorgan Chase's operational, compliance and risk management costs, and could have an adverse effect on JPMorgan Chase's business, results of operations or financial condition.

CFPB. The CFPB has issued final regulations regarding mortgages which will become effective in January 2014 and which will prohibit mortgage servicers from beginning foreclosure proceedings until a mortgage loan is 120 days delinquent, and will impose an "ability to repay" requirement for residential mortgage loans. Other new regulatory requirements or changes to existing requirements that the CFPB may promulgate could require changes in JPMorgan Chase's consumer businesses, result in increased compliance costs and impair the profitability of such businesses. In addition, as a result of the Dodd-Frank Act's potential expansion of the authority of state attorneys general to bring actions to enforce federal consumer protection legislation, JPMorgan Chase could potentially be subject to additional state lawsuits and enforcement actions, thereby further increasing its legal and compliance costs.

Resolution. The FDIC and the Federal Reserve have issued a final rule that requires JPMorgan Chase to submit periodically to the Federal Reserve and the FDIC a resolution plan under the U.S. Bankruptcy Code in the event of material financial distress or failure (a "resolution plan"). The FDIC also issued a final rule that requires JPMorgan Chase to submit periodic contingency plans to the FDIC under the Federal Deposit Insurance Act outlining its resolution plan in the event of its failure. JPMorgan Chase's initial resolution plan submissions were filed in July 2012, and updates are due annually. If the FDIC and the Federal Reserve determine that JPMorgan Chase's resolution plan is not credible or would not facilitate an orderly resolution under the U.S. Bankruptcy Code, the FDIC and the Federal Reserve may jointly impose more stringent capital, leverage or liquidity requirements on JPMorgan Chase, or restrictions on the growth, activities or operations of JPMorgan Chase, or require JPMorgan Chase to restructure, reorganise or divest certain assets or operations in order to facilitate an orderly resolution. Any such measures, particularly those aimed at the disaggregation of JPMorgan Chase, may reduce JPMorgan Chase's capital, adversely affect JPMorgan Chase's operations and profitability, increase JPMorgan Chase's systems, technology and managerial costs, lessen efficiencies and economies of scale and potentially impede JPMorgan Chase's business strategies.

In addition, holders of subordinated debt or preferred stock issued by JPMorgan Chase may be fully subordinated to interests held by the U.S. government in the event that JPMorgan Chase enters into a receivership, insolvency, liquidation or similar proceeding.

Concentration Limits. The Dodd-Frank Act restricts acquisitions by financial companies if, as a result of the acquisition, the total liabilities of the financial company would exceed 10 per cent. of the total liabilities of all financial companies in the United States. The Federal Reserve is expected to issue rules related to these provisions in 2013. This concentration limit could restrict JPMorgan Chase's ability to make acquisitions in the future, thereby adversely affecting its growth prospects.

The total impact of the Dodd-Frank Act cannot be fully assessed without taking into consideration how non-U.S. policymakers and regulators respond to the Dodd-Frank Act and the implementing regulations under the Act, and how the cumulative effects of both U.S. and non-U.S. laws and regulations will affect the businesses and operations of JPMorgan Chase. Additional legislative or regulatory actions in the United States, as well as in the other countries in which JPMorgan Chase operates, could result in a significant loss of revenue for JPMorgan Chase, limit JPMorgan Chase's ability to pursue business opportunities in which it might otherwise consider engaging, affect the value of assets that JPMorgan Chase holds, require JPMorgan Chase to increase its prices and therefore reduce demand for its products, impose additional costs on JPMorgan Chase, or otherwise adversely affect JPMorgan Chase's businesses. Accordingly, any such new or additional legislation or regulations could have an adverse effect on JPMorgan Chase's business, results of operations or financial condition.

(b) ***Non-U.S. regulations and initiatives may be inconsistent or may conflict with current or proposed regulations in the United States, which could create increased compliance and other costs and adversely affect JPMorgan Chase's business, operations or profitability***

The EU has created a European Systemic Risk Board to monitor financial stability, and the Group of Twenty Finance Ministers and Central Bank Governors ("**G-20**") broadened the membership and scope of the Financial Stability Forum in 2008 to form the Financial Stability Board ("**FSB**"). These institutions, which are charged with developing ways to promote cross-border financial stability, are considering various proposals to address risks associated with global financial institutions. Some of the initiatives adopted include increased capital requirements for certain trading instruments or exposures and compensation limits on certain employees located in affected countries. In the U.K., regulators have increased liquidity requirements for local financial institutions, including regulated U.K. subsidiaries of non-U.K. bank holding companies and branches of non-U.K. banks located in the U.K.; adopted a Bank Tax Levy that applies to balance sheets of branches and subsidiaries of non-U.K. banks; proposed that non-U.K. banks either obtain equal treatment for U.K. depositors or "subsidiarise" in the U.K.; and proposed the creation of resolution and recovery plans by U.K. regulated entities, among other initiatives.

In the EU, there is an extensive and complex program of proposed regulatory enhancement which reflects, in part, the EU's commitments to policies of the G-20 together with other plans specific to the EU. This program includes the European Market Infrastructure Regulation ("**EMIR**") which, among other things, would require central clearing of standardised derivatives and which is likely to be phased in starting in 2013. It also includes the revision of the existing Markets in Financial Instruments Directive ("**MiFID II**") to deliver, among other things, the G-20 commitment to on-venue trading of derivatives. Both EMIR and MiFID II include many other regulatory requirements that may have wide-ranging and material effects on JPMorgan Chase's business operations.

The EU is also currently considering significant revisions to laws covering: depositary activities; credit rating activities; resolution of banks, investment firms and market infrastructures; anti-money-laundering controls; data security and privacy; and corporate governance in financial firms, together with implementation in the EU of the Basel III capital standards. In addition, JPMorgan Chase is monitoring any potential implications for its business of developments in relation to both bank structure (in respect of which both the EU itself and a variety of EU Member States unilaterally are considering new rules) and the EU's plans for a single supervisory mechanism for systemic banks under the European Central Bank. For example, the U.K. Independent Commission on Banking (the "**Vickers Commission**") proposed provisions, which are now set forth in draft legislation, that would mandate the separation (or "ring-fencing") of deposit-taking activities from securities trading and other analogous activities within banks, subject to certain exemptions. The final legislation is expected to adopt and include the supplemental recommendation of the Parliamentary Commission on Banking Standards (the "**Tyrie Commission**") that such ring-fences should be "electrified" by the imposition of mandatory forced separation on banking institutions that are deemed to test the limits of the safeguards.

It is believed that JPMorgan Chase will have the benefit of the above-referenced exemptions from the requirement to "ring-fence", but this cannot be determined until the criteria are known with certainty.

Parallel but distinct draft provisions have been published by the French and German governments which could affect JPMorgan Chase's operations in those countries.

It is not possible to determine at the current time how these various proposals will affect JPMorgan Chase's businesses, or how each relate to the European Commission's forthcoming legislative proposals on bank structure arising out of the Report of the High Level Expert Group on Reforming the Structure of the EU Banking Sector (the "**Liikanen Group**"). However, as regulatory requirements that are being proposed by these various regulators may be inconsistent or conflict with regulations to which JPMorgan Chase is subject in the United States (as well as in other parts of the world), JPMorgan Chase may, if these proposals are adopted, be subjected to higher compliance and legal costs, as well as the possibility of higher operational, capital and liquidity costs, all of which could have an adverse effect on JPMorgan Chase's business, results of operations and profitability in the future.

(c) ***The Basel III capital standards will impose additional capital, liquidity and other requirements on JPMorgan Chase that could decrease its competitiveness and profitability***

The Basel Committee on Banking Supervision (the "**Basel Committee**") announced in December 2010 revisions to its Capital Accord; such revisions are commonly referred to as "**Basel III**". Basel III will require higher capital ratio requirements for banks, narrow the definition of capital, expand the definition of risk-weighted assets, and introduce short-term liquidity and term funding standards, among other things. In June 2012, the U.S. federal banking agencies published proposed capital rules to implement Basel III.

Capital Surcharge. In June 2011, the Basel Committee and the FSB proposed that global systemically important banks ("**GSIBs**") be required to maintain additional capital above the Basel III Tier 1 common equity minimum. Based on JPMorgan Chase's current understanding of these new capital requirements, JPMorgan Chase expects that it will be in compliance with all of the standards to which it will be subject as they become effective. However, compliance with these capital standards may reduce JPMorgan Chase's return on equity or cause JPMorgan Chase to alter the types of products it offers to its customers and clients, thereby causing JPMorgan Chase's products to become less attractive or placing JPMorgan Chase at a competitive disadvantage to financial institutions, both within and outside the United States, that are not subject to the same capital surcharge.

Liquidity Coverage and Net Stable Funding Ratios. The Basel Committee has also proposed two new measures of liquidity risk: the "liquidity coverage ratio" and the "net stable funding ratio", which are intended to measure, during an acute stress, over different time spans, the amount of the liquid assets held by JPMorgan Chase in relation to liquidity required. If the ratios are finalised as currently proposed, JPMorgan Chase may need to incur additional costs to raise liquidity and to take certain mitigating actions, such as ceasing to offer certain products to its customers and clients or charging higher fees for extending certain lines of credit, in order to be in compliance with such ratios. Accordingly, compliance with these liquidity coverage standards could adversely affect JPMorgan Chase's funding costs or reduce its profitability in the future.

Elimination of Use of External Credit Ratings. The Federal Reserve, the OCC and the FDIC have issued final rules for risk-based capital guidelines which eliminate the use of external credit ratings for the calculation of risk-weighted assets. This will result in a significant increase in the calculation of JPMorgan Chase's risk-weighted assets, which will require JPMorgan Chase to hold more capital, increase its cost of doing business and place JPMorgan Chase at a competitive disadvantage to non-U.S. competitors.

(d) ***Expanded regulatory oversight of JPMorgan Chase's consumer businesses will increase JPMorgan Chase's compliance costs and risks and may negatively affect the profitability of such businesses***

JPMorgan Chase's consumer businesses are subject to increasing regulatory oversight and scrutiny with respect to its compliance with consumer laws and regulations, including changes implemented as part of the Dodd-Frank Act. JPMorgan Chase has entered into Consent Orders with its banking regulators relating to its Bank Secrecy Act ("**BSA**") and Anti-Money Laundering ("**AML**") policies, procedures and controls and with respect to its residential mortgage servicing, foreclosure and loss-mitigation

activities. JPMorgan Chase also agreed in 2012 to a global settlement with a number of federal and state government agencies relating to the servicing and origination of mortgages. The mortgage-related Consent Order and global settlement require JPMorgan Chase to make cash payments and provide certain refinancing and other borrower relief, as well as to adhere to certain enhanced mortgage servicing standards, and the BSA/AML Consent Order will require JPMorgan Chase to make enhancements to its procedures, make investments in its technology and hire additional personnel, all of which will increase JPMorgan Chase's operational and compliance costs.

New regulatory requirements or changes to existing requirements that the CFPB may promulgate could require changes in the product offerings and practices of JPMorgan Chase's consumer businesses and affect the profitability of such businesses.

Finally, as a result of increasing federal and state scrutiny of JPMorgan Chase's consumer practices, JPMorgan Chase may face a greater number or wider scope of investigations, enforcement actions and litigation, thereby increasing its costs associated with responding to or defending such actions. In addition, increased regulatory inquiries and investigations, as well as any additional legislative or regulatory developments affecting JPMorgan Chase's consumer businesses, and any required changes to JPMorgan Chase's business operations resulting from these developments, could result in significant loss of revenue, limit the products or services JPMorgan Chase offers, require JPMorgan Chase to increase its prices and therefore reduce demand for its products, impose additional compliance costs on JPMorgan Chase, cause harm to JPMorgan Chase's reputation or otherwise adversely affect JPMorgan Chase's consumer businesses. If JPMorgan Chase does not appropriately comply with current or future legislation and regulations that apply to its consumer operations, JPMorgan Chase may be subject to fines, penalties or judgments, or material regulatory restrictions on its businesses, which could adversely affect JPMorgan Chase's operations and, in turn, its financial results.

(e) ***Implementation of JPMorgan Chase's resolution plan under the U.S. resolution plan rules could materially impair the claims of JPMorgan Chase debt holders***

As noted above, in July 2012 JPMorgan Chase submitted to the Federal Reserve and the FDIC its initial plan for resolution of JPMorgan Chase. JPMorgan Chase's resolution plan includes strategies to resolve JPMorgan Chase under the U.S. Bankruptcy Code, and also recommends to the FDIC and the Federal Reserve JPMorgan Chase's proposed optimal strategy to resolve JPMorgan Chase under the special resolution procedure provided in Title II of the Dodd-Frank Act ("**Title II**").

JPMorgan Chase's recommendation for its optimal Title II strategy would involve a "single point of entry" recapitalization model in which the FDIC would use its power to create a "bridge entity" for JPMorgan Chase, transfer the systemically important and viable parts of JPMorgan Chase's business, principally the stock of JPMorgan Chase & Co.'s main operating subsidiaries and any intercompany claims against such subsidiaries, to the bridge entity, recapitalize those businesses by contributing some or all of such intercompany claims to the capital of such subsidiaries, and by exchanging debt claims against JPMorgan Chase & Co. for equity in the bridge entity. If JPMorgan Chase were to be resolved under this strategy, no assurance can be given that the value of the stock of the bridge entity distributed to the holders of debt obligations of JPMorgan Chase & Co. would be sufficient to repay or satisfy all or part of the principal amount of, and interest on, the debt obligations for which such stock was exchanged.

5.2 **Market Risk**

(a) ***JPMorgan Chase's results of operations have been, and may continue to be, adversely affected by U.S. and international financial market and economic conditions***

JPMorgan Chase's businesses are materially affected by economic and market conditions, including the liquidity of the global financial markets; the level and volatility of debt and equity prices, interest rates and currency and commodities prices; investor sentiment; events that reduce confidence in the financial markets; inflation and unemployment; the availability and cost of capital and credit; the occurrence of natural disasters, acts of war or terrorism; and the health of U.S. or international economies.

In JPMorgan Chase's wholesale businesses, the above-mentioned factors can affect transactions involving JPMorgan Chase's underwriting and advisory businesses; the realisation of cash returns from its private equity business; the volume of transactions that JPMorgan Chase executes for its customers

and, therefore, the revenue that JPMorgan Chase receives from commissions and spreads; and the willingness of financial sponsors or other investors to participate in loan syndications or underwritings managed by JPMorgan Chase.

JPMorgan Chase generally maintains extensive positions in the fixed income, currency, commodities and equity markets to facilitate client demand and provide liquidity to clients. JPMorgan Chase may have market-making positions that lack pricing transparency or liquidity. The revenue derived from these positions is affected by many factors, including JPMorgan Chase's success in effectively hedging its market and other risks, volatility in interest rates and equity, debt and commodities markets, credit spreads, and availability of liquidity in the capital markets, all of which are affected by economic and market conditions. JPMorgan Chase anticipates that revenue relating to its market-making and private equity businesses will continue to experience volatility, which will affect pricing or the ability to realise returns from such activities, and that this could materially adversely affect JPMorgan Chase's earnings.

The fees that JPMorgan Chase earns for managing third-party assets are also dependent upon general economic conditions. For example, a higher level of U.S. or non-U.S. interest rates or a downturn in securities markets could affect the valuations of the third-party assets that JPMorgan Chase manages or holds in custody, which, in turn, could affect JPMorgan Chase's revenue. Macroeconomic or market concerns may also prompt outflows from JPMorgan Chase's funds or accounts.

Changes in interest rates will affect the level of assets and liabilities held on JPMorgan Chase's balance sheet and the revenue that JPMorgan Chase earns from net interest income. A low interest rate environment or a flat or inverted yield curve may adversely affect certain of JPMorgan Chase's businesses by compressing net interest margins, reducing the amounts JPMorgan Chase earns on its investment securities portfolio, or reducing the value of its mortgage servicing rights ("MSR") asset, thereby reducing JPMorgan Chase's net interest income and other revenues.

JPMorgan Chase's consumer businesses are particularly affected by domestic economic conditions, including U.S. interest rates; the rate of unemployment; housing prices; the level of consumer confidence; changes in consumer spending; and the number of personal bankruptcies. If the current positive trends in the U.S. economy are not sustained, this could diminish demand for the products and services of JPMorgan Chase's consumer businesses, or increase the cost to provide such products and services. In addition, adverse economic conditions, such as declines in home prices or persistent high levels of unemployment, could lead to an increase in mortgage, credit card and other loan delinquencies and higher net charge-offs, which can reduce JPMorgan Chase's earnings.

Widening of credit spreads makes it more expensive for JPMorgan Chase to borrow on both a secured and unsecured basis. Credit spreads widen or narrow not only in response to JPMorgan Chase-specific events and circumstances, but also as a result of general economic and geopolitical events and conditions.

Changes in JPMorgan Chase's credit spreads will impact, positively or negatively, JPMorgan Chase's earnings on liabilities that are recorded at fair value.

(b) ***Despite improved financial market conditions, many of the structural issues facing the Eurozone remain and problems could resurface which could have significant adverse effects on JPMorgan Chase's business, results of operations, financial condition and liquidity***

Notwithstanding improved financial market conditions, many of the structural issues facing the Eurozone remain and problems could resurface which could have significant adverse effects on JPMorgan Chase's business, results of operations, financial condition and liquidity, particularly if they lead to sovereign debt default, significant bank failures or defaults and/or the exit of one or more countries from the European Monetary Union ("EMU").

The ECB's Outright Monetary Transaction program continues to underpin an improved risk environment, shifting the focus of the crisis from immediate financing strains to the more structural challenges of fiscal retrenchment and stimulation of GDP growth. However, financial market conditions could materially worsen if, for example, consecutive Eurozone countries were to default on their sovereign debt, significant bank failures or defaults in these countries were to occur, and/or one or more of the members of the Eurozone were to exit the EMU. Yields on government bonds of certain Eurozone countries, including Greece, Ireland, Italy, Portugal and Spain, have remained volatile,

despite various stabilization packages and facilities that have been implemented to assist various distressed Eurozone countries. Concerns have been and continue to be raised as to the financial effectiveness of the assistance measures taken to date and such concerns could intensify. Concerns could also be triggered by political developments, with key elections in Italy and Germany during 2013, and ongoing uncertainty about the tolerance of austerity across the Eurozone.

Continued economic turmoil in the Eurozone could lead to a further deterioration of global economic conditions and thereby adversely affect JPMorgan Chase's business and results of operations in Europe and elsewhere. There can be no assurance that the various steps that JPMorgan Chase has taken to protect its businesses, results of operations and financial condition against the results of the Eurozone crisis will be sufficient.

Further, the effects of the Eurozone debt crisis could be even more significant if they lead to a partial or complete break-up of the EMU. The partial or full break-up of the EMU would be unprecedented and its impact highly uncertain. The exit of one or more countries from the EMU or the dissolution of the EMU could lead to redenomination of certain obligations of obligors in exiting countries. Any such exit and redenomination would cause significant uncertainty with respect to outstanding obligations of counterparties and debtors in any exiting country, whether sovereign or otherwise, and lead to complex and lengthy disputes and litigation. The resulting uncertainty and market stress could also cause, among other things, severe disruption to equity markets, significant increases in bond yields generally, potential failure or default of financial institutions, including those of systemic importance, a significant decrease in global liquidity, a freeze-up of global credit markets and a potential worldwide recession. Any combination of such events could negatively impact JPMorgan Chase's businesses, financial condition and results of operations. In addition, one or more EMU exits and currency redenominations could be accompanied by imposition of capital, exchange and similar controls, which could further negatively impact JPMorgan Chase's cross-border risk and other aspects of its businesses and its earnings.

- (c) ***Changes are being considered in the method for determining LIBOR and it is not apparent how any such changes could affect the value of LIBOR-linked obligations of JPMorgan Chase, or how such changes could affect JPMorgan Chase's financial condition or results of operations***

Beginning in 2008, concerns have been raised about the accuracy of the calculation of the daily London Inter-Bank Offered Rate ("**LIBOR**"), which is currently overseen by the British Bankers' Association ("**BBA**"). The BBA has taken steps to change the process for determining LIBOR by increasing the number of banks surveyed to set LIBOR and to strengthen the oversight of the process. The final report of the Wheatley Review of LIBOR, published in September 2012, set forth recommendations relating to the setting and administration of LIBOR, including the gradual phasing out of certain currencies and maturities. In December 2012 the U.K. government adopted legislation enacting one of those recommendations, making it a criminal offence to attempt to manipulate the setting of benchmark rates. The U.K. government also announced that the U.K. Financial Conduct Authority ("**FCA**") intends to incorporate the rest of the Wheatley Review recommendations in new regulations relating to the LIBOR process.

At the present time it is uncertain the extent of changes, if any, that may be required or made by the FCA or other governmental or regulatory authorities in the method for determining LIBOR. Accordingly, at the present time it is not apparent whether or to what extent any such changes would have an adverse impact on the value of any LIBOR-linked debt securities issued by JPMorgan Chase or any loans, derivatives and other financial obligations or extensions of credit for which JPMorgan Chase is an obligor, or whether or to what extent any such changes would have an adverse effect on the value of any LIBOR-linked securities, loans, derivatives and other financial obligations or extensions of credit held by or due to JPMorgan Chase, or on JPMorgan Chase's financial condition or results of operations.

5.3 Credit Risk

- (a) ***The financial condition of JPMorgan Chase's customers, clients and counterparties, including other financial institutions, could adversely affect JPMorgan Chase***

If the current positive trends globally are not sustained, more of JPMorgan Chase's customers may become delinquent on their loans or other obligations to JPMorgan Chase which, in turn, could result in

a higher level of charge-offs and provisions for credit losses, or in requirements that JPMorgan Chase purchase assets from or provide other funding to its clients and counterparties, any of which could adversely affect JPMorgan Chase's financial condition. Moreover, a significant deterioration in the credit quality of one of JPMorgan Chase's counterparties could lead to concerns in the market about the credit quality of other counterparties in the same industry, thereby exacerbating JPMorgan Chase's credit risk exposure, and increasing the losses (including mark-to-market losses) that JPMorgan Chase could incur in its market-making and clearing businesses.

Financial services institutions are interrelated as a result of market-making, trading, clearing, counterparty, or other relationships. JPMorgan Chase routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Many of these transactions expose JPMorgan Chase to credit risk and, in some cases, disputes and litigation in the event of a default by the counterparty or client.

During periods of market stress or illiquidity, JPMorgan Chase's credit risk also may be further increased when JPMorgan Chase cannot realise the fair value of the collateral held by it or when collateral is liquidated at prices that are not sufficient to recover the full amount of the loan, derivative or other exposure due to JPMorgan Chase. Further, disputes with obligors as to the valuation of collateral significantly increase in times of market stress and illiquidity. Periods of illiquidity could produce losses if JPMorgan Chase is unable to realise the fair value of collateral or manage declines in the value of collateral.

(b) ***Concentration of credit and market risk could increase the potential for significant losses***

JPMorgan Chase has exposure to increased levels of risk when customers are engaged in similar business activities or activities in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions. As a result, JPMorgan Chase regularly monitors various segments of its portfolio exposures to assess potential concentration risks. JPMorgan Chase's efforts to diversify or hedge its credit portfolio against concentration risks may not be successful.

In addition, disruptions in the liquidity or transparency of the financial markets may result in JPMorgan Chase's inability to sell, syndicate or realise the value of its positions, thereby leading to increased concentrations. The inability to reduce JPMorgan Chase's positions may not only increase the market and credit risks associated with such positions, but also increase the level of risk-weighted assets on JPMorgan Chase's balance sheet, thereby increasing its capital requirements and funding costs, all of which could adversely affect the operations and profitability of JPMorgan Chase's businesses.

(c) ***JPMorgan Chase's role as a clearing and custody bank in the U.S. tri-party repurchase business exposes it to credit risks, including intra-day credit risk***

JPMorgan Chase is a market leader in providing clearing, custodial and prime brokerage services for financial services companies. In addition, JPMorgan Chase acts as a clearing and custody bank in the U.S. tri-party repurchase transaction market. Many of these transactions expose JPMorgan Chase to credit risk in the event of a default by the counterparty or client and, in the case of its role in the U.S. tri-party repurchase business, can expose JPMorgan Chase to intra-day credit risk of the cash borrowers, usually broker-dealers; however, this exposure is secured by collateral and typically extinguished through the settlement process by the end of the day. JPMorgan Chase actively participated in the Tri-Party Repo Infrastructure Reform Task Force sponsored by the Federal Reserve Bank of New York, which issued recommendations to modify and improve the infrastructure of tri-party repurchase transactions in order to, among other things, mitigate intra-day credit exposure. JPMorgan Chase has implemented many of the recommendations and intends to implement the intra-day credit recommendations by the end of 2013. As a result, JPMorgan Chase expects its intra-day credit exposure after implementation of all the Task Force recommendations to be substantially reduced. Nevertheless, if a broker-dealer that is party to a repurchase transaction cleared by JPMorgan Chase becomes bankrupt or insolvent, JPMorgan Chase may become involved in disputes and litigation with the broker-dealer's bankruptcy estate and other creditors, or involved in regulatory investigations, all of which can increase JPMorgan Chase's operational and litigation costs and may result in losses if the securities in the repurchase transaction decline in value.

5.4 Liquidity Risk

(a) *If JPMorgan Chase does not effectively manage its liquidity, its business could suffer*

JPMorgan Chase's liquidity is critical to its ability to operate its businesses. Some potential conditions that could impair JPMorgan Chase's liquidity include markets that become illiquid or are otherwise experiencing disruption, unforeseen cash or capital requirements (including, among others, commitments that may be triggered to special purpose entities ("SPEs") or other entities), difficulty in selling or inability to sell assets, unforeseen outflows of cash or collateral, and lack of market or customer confidence in JPMorgan Chase or financial markets in general. These conditions may be caused by events over which JPMorgan Chase has little or no control. The widespread crisis in investor confidence and resulting liquidity crisis experienced in 2008 and into early 2009 increased JPMorgan Chase's cost of funding and limited its access to some of its traditional sources of liquidity such as securitised debt offerings backed by mortgages, credit card receivables and other assets, and there is no assurance that these conditions could not occur in the future.

If JPMorgan Chase's access to stable and low cost sources of funding, such as bank deposits, are reduced, JPMorgan Chase may need to raise alternative funding which may be more expensive or of limited availability.

As a holding company, JPMorgan Chase & Co. relies on the earnings of its subsidiaries for its cash flow and, consequently, its ability to pay dividends and satisfy its debt and other obligations. These payments by subsidiaries may take the form of dividends, loans or other payments. Several of JPMorgan Chase & Co.'s principal subsidiaries are subject to dividend distribution or capital adequacy requirements or other regulatory restrictions on their ability to provide such payments. Limitations in the payments that JPMorgan Chase & Co. receives from its subsidiaries could reduce its liquidity position.

Some regulators have proposed legislation or regulations requiring large banks to incorporate a separate subsidiary in countries in which they operate, and to maintain independent capital and liquidity for such subsidiaries. If adopted, these requirements could hinder JPMorgan Chase's ability to efficiently manage its funding and liquidity in a centralised manner.

(b) *Reductions in the JPMorgan Chase's credit ratings may adversely affect its liquidity and cost of funding, as well as the value of debt obligations issued by JPMorgan Chase*

JPMorgan Chase & Co. and certain of its subsidiaries, including JPMorgan Chase Bank, N.A., are currently rated by credit rating agencies. In 2012, Moody's and Fitch downgraded the ratings of JPMorgan Chase & Co. In addition, as of year-end 2012, Moody's had JPMorgan Chase & Co., and S&P had JPMorgan Chase & Co., JPMorgan Chase Bank, N.A. and certain other subsidiaries, on "negative" outlook, indicating the possibility of a further downgrade in ratings. Although JPMorgan Chase closely monitors and manages factors influencing its credit ratings, there is no assurance that such ratings will not be lowered in the future. For example, the rating agencies, have indicated that further control failures by JPMorgan Chase (such as was evidenced in the Chief Investment Office ("CIO") matter discussed below), deterioration in capital, liquidity and asset quality levels, or a significant increase in risk appetite could put downward pressure on JPMorgan Chase's ratings. Additionally, the rating agencies have indicated that they intend to re-evaluate the credit ratings of systemically important financial institutions in light of the provisions of the Dodd-Frank Act that seek to eliminate any implicit government support for such institutions.

Furthermore, the rating agencies continue to evaluate economic and geopolitical trends, including sovereign creditworthiness, elevated economic uncertainty and higher funding spreads, all of which could lead to downgrades in the credit ratings of global banks, including JPMorgan Chase. There is no assurance that any such downgrades from rating agencies, if they affected JPMorgan Chase's credit ratings, would not occur at times of broader market instability when JPMorgan Chase's options for responding to events may be more limited and general investor confidence is low.

Further, a reduction in JPMorgan Chase's credit ratings could reduce JPMorgan Chase's access to debt markets, materially increase the cost of issuing debt, trigger additional collateral or funding requirements, and decrease the number of investors and counterparties willing or permitted, contractually or otherwise, to do business with or lend to JPMorgan Chase, thereby curtailing

JPMorgan Chase's business operations and reducing its profitability. In addition, any such reduction in credit ratings may increase the credit spreads charged by the market for taking credit risk on JPMorgan Chase & Co. and its subsidiaries and, as a result, could adversely affect the value of debt obligations that they have issued or may issue in the future.

5.5 Legal Risk

JPMorgan Chase faces significant legal risks, both from regulatory investigations and proceedings and from private actions brought against JPMorgan Chase

JPMorgan Chase is named as a defendant or is otherwise involved in various legal proceedings, including class actions and other litigation or disputes with third parties. There is no assurance that litigation with private parties will not increase in the future. Actions currently pending against JPMorgan Chase may result in judgments, settlements, fines, penalties or other results adverse to JPMorgan Chase, which could materially adversely affect JPMorgan Chase's business, financial condition or results of operations, or cause serious reputational harm to JPMorgan Chase. As a participant in the financial services industry, it is likely that JPMorgan Chase will continue to experience a high level of litigation related to its businesses and operations.

JPMorgan Chase's businesses and operations are also subject to increasing regulatory oversight and scrutiny, which may lead to additional regulatory investigations or enforcement actions. In 2012, JPMorgan Chase was the subject of Consent Orders from its banking regulators and entered into a global settlement with federal and state governmental agencies relating to its mortgage servicing and origination activities. In January 2013, JPMorgan Chase also entered into Consent Orders with its banking regulators related to risk management, model governance and other control functions related to CIO and certain other trading activities at JPMorgan Chase and with respect to JPMorgan Chase's and certain of its bank subsidiaries' policies, procedures and controls relating to compliance with BSA and AML requirements. As the regulators continue to examine the operations of JPMorgan Chase and its bank subsidiaries, there is no assurance that additional consent orders or other enforcement actions will not be issued by them in the future. These and other initiatives from federal and state officials may subject JPMorgan Chase to further judgments, settlements, fines or penalties, or cause JPMorgan Chase to be required to restructure its operations and activities, all of which could lead to reputational issues, or higher operational costs, thereby reducing JPMorgan Chase's revenue.

5.6 Business and Operational Risks

(a) *JPMorgan Chase's operations are subject to risk of loss from unfavourable economic, monetary and political developments in the United States and around the world.*

JPMorgan Chase's businesses and earnings are affected by the fiscal and other policies that are adopted by various U.S. and non-U.S. regulatory authorities and agencies. The Federal Reserve regulates the supply of money and credit in the United States and its policies determine in large part the cost of funds for lending and investing in the United States and the return earned on those loans and investments. Changes in Federal Reserve policies (as well as the fiscal and monetary policies of non-U.S. central banks or regulatory authorities and agencies) are beyond JPMorgan Chase's control and, consequently, the impact of changes in these policies on JPMorgan Chase's activities and results of operations is difficult to predict.

JPMorgan Chase's businesses and revenue are also subject to risks inherent in investing and market-making in securities of companies worldwide. These risks include, among others, risk of loss from unfavourable political, legal or other developments, including social or political instability, in the countries in which such companies operate, as well as the other risks and considerations as described further below.

Several of JPMorgan Chase's businesses engage in transactions with, or trade in obligations of, U.S. and non-U.S. governmental entities, including national, state, provincial, municipal and local authorities. These activities can expose JPMorgan Chase to enhanced sovereign, credit-related, operational and reputational risks, including the risks that a governmental entity may default on or restructure its obligations or may claim that actions taken by government officials were beyond the legal authority of those officials, which could adversely affect JPMorgan Chase's financial condition and results of operations.

Further, various countries in which JPMorgan Chase operates or invests, or in which JPMorgan Chase may do so in the future, have in the past experienced severe economic disruptions particular to those countries or regions. As noted above, concerns regarding the fiscal condition of certain countries within the Eurozone continue and there is no assurance such concerns will not lead to "market contagion" beyond those countries in the Eurozone or beyond the Eurozone. Accordingly, it is possible that economic disruptions in certain countries, even in countries in which JPMorgan Chase does not conduct business or have operations, will adversely affect JPMorgan Chase.

(b) ***JPMorgan Chase's international growth strategy may be hindered by local political, social and economic factors, and will be subject to additional compliance costs and risks***

JPMorgan Chase has expanded, and plans to continue to grow, its international wholesale businesses in Europe/Middle East/Africa ("EMEA"), Asia/Pacific and Latin America/Caribbean. As part of its international growth strategy, JPMorgan Chase seeks to provide a wider range of financial services to its clients that conduct business in those regions and to expand its international operations.

Many of the countries in which JPMorgan Chase intends to grow its wholesale businesses have economies or markets that are less developed and more volatile, and may have legal and regulatory regimes that are less established or predictable, than the United States and other developed markets in which JPMorgan Chase currently operates. Some of these countries have in the past experienced severe economic disruptions, including extreme currency fluctuations, high inflation, or low or negative growth, among other negative conditions, or have imposed restrictive monetary policies such as currency exchange controls and other laws and restrictions that adversely affect the local and regional business environment. In addition, these countries have historically been more susceptible to unfavourable political, social or economic developments which have in the past resulted in, and may in the future lead to, social unrest, general strikes and demonstrations, outbreaks of hostilities, overthrow of incumbent governments, terrorist attacks or other forms of internal discord, all of which can adversely affect JPMorgan Chase's operations or investments in such countries. Political, social or economic disruption or dislocation in countries or regions in which JPMorgan Chase seeks to expand its wholesale businesses can hinder the growth and profitability of those operations, and there can be no assurance that JPMorgan Chase will be able to successfully execute its international growth initiatives.

Less developed legal and regulatory systems in certain countries can also have adverse consequences on JPMorgan Chase's operations in those countries, including, among others, the absence of a statutory or regulatory basis or guidance for engaging in specific types of business or transactions, or the inconsistent application or interpretation of existing laws and regulations; uncertainty as to the enforceability of contractual obligations; difficulty in competing in economies in which the government controls or protects all or a portion of the local economy or specific businesses, or where graft or corruption may be pervasive; and the threat of arbitrary regulatory investigations, civil litigations or criminal prosecutions.

Revenue from international operations and trading in non-U.S. securities and other obligations may be subject to negative fluctuations as a result of the above considerations, as well as due to governmental actions including expropriation, nationalisation, confiscation of assets, price controls, capital controls, exchange controls, and changes in laws and regulations. The impact of these fluctuations could be accentuated as some trading markets are smaller, less liquid and more volatile than larger markets. Also, any of the above-mentioned events or circumstances in one country can, and has in the past, affected JPMorgan Chase's operations and investments in another country or countries, including JPMorgan Chase's operations in the United States. As a result, any such unfavourable conditions or developments could have an adverse impact on JPMorgan Chase's business and results of operations.

Conducting business in countries with less developed legal and regulatory regimes often requires JPMorgan Chase to devote significant additional resources to understanding, and monitoring changes in, local laws and regulations, as well as structuring its operations to comply with local laws and regulations and implementing and administering related internal policies and procedures. There can be no assurance that JPMorgan Chase will always be successful in its efforts to conduct its business in compliance with laws and regulations in countries with less predictable legal and regulatory systems. In addition, JPMorgan Chase can also incur higher costs, and face greater compliance risks, in structuring its operations outside the United States to comply with U.S. anti-corruption and anti-money laundering laws and regulations.

(c) ***JPMorgan Chase's results of operations may be adversely affected by loan repurchase and indemnity obligations***

In connection with the sale and securitisation of loans (whether with or without recourse), the originator is generally required to make a variety of representations and warranties regarding both the originator and the loans being sold or securitised. JPMorgan Chase and some of its subsidiaries have made such representations and warranties in connection with the sale and securitisation of loans, and JPMorgan Chase will continue to do so when it securitises loans it has originated. If a loan that does not comply with such representations or warranties is sold or securitised, JPMorgan Chase may be obligated to repurchase the loan and incur any associated loss directly, or JPMorgan Chase may be obligated to indemnify the purchaser against any such losses. Since 2010, the costs of repurchasing mortgage loans that had been sold to U.S. government-sponsored entities ("GSEs"), such as Fannie Mae and Freddie Mac, have been elevated, and there is no assurance that such costs will not continue to be elevated in the future. Accordingly, repurchase or indemnity obligations to the GSEs or to private third-party purchasers could materially and adversely affect JPMorgan Chase's results of operations and earnings in the future.

The repurchase liability that JPMorgan Chase records with respect to its loan repurchase obligations to the GSEs is estimated based on several factors, including the level of current and estimated probable future repurchase demands made by purchasers, JPMorgan Chase's ability to cure the defects identified in the repurchases demands, the severity of loss upon repurchase or foreclosure, JPMorgan Chase's potential ability to recover certain losses from third-party originators, and the terms of agreements with certain mortgage insurers and other parties. While JPMorgan Chase believes that its current repurchase liability reserves are adequate, the factors referred to above are subject to change based on the GSEs' future behaviour, the economic environment and other uncertainties. Accordingly, there is no assurance that such reserves will not be increased in the future.

JPMorgan Chase also faces litigation related to securitisations, primarily related to securitisations not sold to the GSEs. JPMorgan Chase separately evaluates its exposure to such litigation in establishing its litigation reserves. While JPMorgan Chase believes that its current reserves in respect of such litigation matters are adequate, there can be no assurance that such reserves will not need to be increased in the future.

(d) ***JPMorgan Chase may incur additional costs and expenses in ensuring that it satisfies requirements relating to mortgage servicing and foreclosures***

JPMorgan Chase has, as described above, entered into the Consent Orders with its banking regulators relating to its residential mortgage servicing, foreclosure and loss-mitigation activities, and agreed to the global settlement with federal and state government agencies relating to the servicing and origination of mortgages. JPMorgan Chase expects to incur additional costs and expenses in connection with its efforts to enhance its mortgage origination, servicing and foreclosure procedures, including the enhancements required under the Consent Orders and the global settlement. In addition, the GSEs impose compensatory fees on their mortgage servicers, including JPMorgan Chase, if such servicers are unable to comply with the foreclosure timetables mandated by the GSEs, and such fees may continue to be imposed on JPMorgan Chase in the future.

(e) ***JPMorgan Chase's commodities activities are subject to extensive regulation, potential catastrophic events and environmental risks and regulation that may expose JPMorgan Chase to significant cost and liability***

JPMorgan Chase engages in the storage, transportation, marketing or trading of several commodities, including metals, agricultural products, crude oil, oil products, natural gas, electric power, emission credits, coal, freight, and related products and indices. JPMorgan Chase is also engaged in power generation and has invested in companies engaged in wind energy and in sourcing, developing and trading emission reduction credits. As a result of all of these activities, JPMorgan Chase is subject to extensive and evolving energy, commodities, environmental, and other governmental laws and regulations. JPMorgan Chase expects laws and regulations affecting its commodities activities to expand in scope and complexity, and to restrict some of JPMorgan Chase's activities, which could result in lower revenues from JPMorgan Chase's commodities activities. In addition, JPMorgan Chase may incur substantial costs in complying with current or future laws and regulations, and the failure to comply with these laws and regulations may result in substantial civil and criminal fines and penalties.

Furthermore, liability may be incurred without regard to fault under certain environmental laws and regulations for remediation of contaminations.

JPMorgan Chase's commodities activities also further expose JPMorgan Chase to the risk of unforeseen and catastrophic events, including natural disasters, leaks, spills, explosions, release of toxic substances, fires, accidents on land and at sea, wars, and terrorist attacks that could result in personal injuries, loss of life, property damage, damage to JPMorgan Chase's reputation and suspension of operations. JPMorgan Chase's commodities activities are also subject to disruptions, many of which are outside of JPMorgan Chase's control, from the breakdown or failure of power generation equipment, transmission lines or other equipment or processes, and the contractual failure of performance by third-party suppliers or service providers, including the failure to obtain and deliver raw materials necessary for the operation of power generation facilities. JPMorgan Chase's actions to mitigate its risks related to the above-mentioned considerations may not prove adequate to address every contingency. In addition, insurance covering some of these risks may not be available, and the proceeds, if any, from insurance recovery may not be adequate to cover liabilities with respect to particular incidents. As a result, JPMorgan Chase's financial condition and results of operations may be adversely affected by such events.

(f) ***JPMorgan Chase relies on its systems, employees and certain counterparties, and certain failures could materially adversely affect JPMorgan Chase's operations***

JPMorgan Chase's businesses are dependent on JPMorgan Chase's ability to process, record and monitor a large number of complex transactions. If JPMorgan Chase's financial, accounting, or other data processing systems fail or have other significant shortcomings, JPMorgan Chase could be materially adversely affected. JPMorgan Chase is similarly dependent on its employees. JPMorgan Chase could be materially adversely affected if one or more of its employees causes a significant operational breakdown or failure, either as a result of human error or where an individual purposefully sabotages or fraudulently manipulates JPMorgan Chase's operations or systems. Third parties with which JPMorgan Chase does business could also be sources of operational risk to JPMorgan Chase, including with respect to breakdowns or failures of the systems or misconduct by the employees of such parties. In addition, as JPMorgan Chase changes processes or introduces new products and services, JPMorgan Chase may not fully appreciate or identify new operational risks that may arise from such changes. Any of these occurrences could diminish JPMorgan Chase's ability to operate one or more of its businesses, or result in potential liability to clients, increased operating expenses, higher litigation costs (including fines and sanctions), reputational damage, regulatory intervention or weaker competitive standing, any of which could materially adversely affect JPMorgan Chase.

If personal, confidential or proprietary information of customers or clients in JPMorgan Chase's possession were to be mishandled or misused, JPMorgan Chase could suffer significant regulatory consequences, reputational damage and financial loss. Such mishandling or misuse could include circumstances where, for example, such information was erroneously provided to parties who are not permitted to have the information, either through the fault of JPMorgan Chase's systems, employees, or counterparties, or where such information was intercepted or otherwise inappropriately taken by third parties.

JPMorgan Chase may be subject to disruptions of its operating systems arising from events that are wholly or partially beyond JPMorgan Chase's control, which may include, for example, security breaches (as discussed further below); electrical or telecommunications outages; failures of computer servers or other damage to JPMorgan Chase's property or assets; natural disasters; health emergencies or pandemics; or events arising from local or larger scale political events, including terrorist acts. JPMorgan Chase maintains a global resiliency and crisis management program that is intended to ensure that JPMorgan Chase has the ability to recover its critical business functions and supporting assets, including staff, technology and facilities, in the event of a business interruption. While JPMorgan Chase believes that its current resiliency plans are both sufficient and adequate, there can be no assurance that such plans will fully mitigate all potential business continuity risks to JPMorgan Chase. Any failures or disruptions of JPMorgan Chase's systems or operations could give rise to losses in service to customers and clients, adversely affect JPMorgan Chase's business and results of operations by subjecting JPMorgan Chase to losses or liability, or require JPMorgan Chase to expend significant resources to correct the failure or disruption, as well as by exposing JPMorgan Chase to litigation, regulatory fines or penalties or losses not covered by insurance.

(g) ***A breach in the security of JPMorgan Chase's systems could disrupt its businesses, result in the disclosure of confidential information, damage its reputation and create significant financial and legal exposure for JPMorgan Chase***

Although JPMorgan Chase devotes significant resources to maintain and regularly upgrade its systems and processes that are designed to protect the security of JPMorgan Chase's computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to JPMorgan Chase and its customers, there is no assurance that all of JPMorgan Chase's security measures will provide absolute security. JPMorgan Chase and other financial services institutions and companies engaged in data processing have reported breaches in the security of their websites or other systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorised access to confidential information, destroy data, disable or degrade service, or sabotage systems, often through the introduction of computer viruses or malware, cyber attacks and other means. JPMorgan Chase and several other U.S. financial institutions have also experienced several significant distributed denial-of-service attacks from technically sophisticated and well-resourced third parties which were intended to disrupt consumer online banking services.

Despite JPMorgan Chase's efforts to ensure the integrity of its systems, it is possible that JPMorgan Chase may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently or are not recognised until launched, and because security attacks can originate from a wide variety of sources, including third parties outside JPMorgan Chase such as persons who are involved with organised crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments. Those parties may also attempt to fraudulently induce employees, customers or other users of JPMorgan Chase's systems to disclose sensitive information in order to gain access to JPMorgan Chase's data or that of its customers or clients. These risks may increase in the future as JPMorgan Chase continues to increase its mobile-payment and other internet-based product offerings and expands its internal usage of web-based products and applications.

A successful penetration or circumvention of the security of JPMorgan Chase's systems could cause serious negative consequences for JPMorgan Chase, including significant disruption of JPMorgan Chase's operations, misappropriation of confidential information of JPMorgan Chase or that of its customers, or damage to computers or systems of JPMorgan Chase and those of its customers and counterparties, and could result in violations of applicable privacy and other laws, financial loss to JPMorgan Chase or to its customers, loss of confidence in JPMorgan Chase's security measures, customer dissatisfaction, significant litigation exposure, and harm to JPMorgan Chase's reputation, all of which could have a material adverse effect on JPMorgan Chase.

(h) ***JPMorgan Chase's acquisitions and the integration of acquired businesses may not result in all of the benefits anticipated***

JPMorgan Chase has in the past and may in the future seek to expand its business by acquiring other businesses. There can be no assurance that JPMorgan Chase's acquisitions will have the anticipated positive results, including results relating to: the total cost of integration; the time required to complete the integration; the amount of longer-term cost savings; the overall performance of the combined entity; or an improved price for JPMorgan Chase & Co.'s common stock. Integration efforts could divert management attention and resources, which could adversely affect JPMorgan Chase's operations or results. JPMorgan Chase cannot provide assurance that any such integration efforts would not result in the occurrence of unanticipated costs or losses.

Acquisitions may also result in business disruptions that cause JPMorgan Chase to lose customers or cause customers to move their business to competing financial institutions. It is possible that the integration process related to acquisitions could result in the disruption of JPMorgan Chase's ongoing businesses or inconsistencies in standards, controls, procedures and policies that could adversely affect JPMorgan Chase's ability to maintain relationships with clients, customers, depositors and other business partners. The loss of key employees in connection with an acquisition could adversely affect JPMorgan Chase's ability to successfully conduct its business.

5.7 Risk Management

(a) ***JPMorgan Chase's framework for managing risks and its risk management procedures and practices may not be effective in mitigating risk and loss to JPMorgan Chase***

JPMorgan Chase's risk management framework seeks to mitigate risk and loss to JPMorgan Chase. JPMorgan Chase has established processes and procedures intended to identify, measure, monitor, report and analyse the types of risk to which JPMorgan Chase is subject, including liquidity risk, credit risk, market risk, interest rate risk, country risk, principal risk, operational risk, legal and fiduciary risk, and reputational risk, among others. However, as with any risk management framework, there are inherent limitations to JPMorgan Chase's risk management strategies because there may exist, or develop in the future, risks that JPMorgan Chase has not appropriately anticipated or identified. If JPMorgan Chase's risk management framework proves ineffective, JPMorgan Chase could suffer unexpected losses and could be materially adversely affected. As JPMorgan Chase's businesses change and grow and the markets in which they operate continue to evolve, JPMorgan Chase's risk management framework may not always keep sufficient pace with those changes. As a result, there is the risk that the credit and market risks associated with new products or new business strategies may not be appropriately identified, monitored or managed. In addition, in a difficult or less liquid market environment, JPMorgan Chase's risk management strategies may not be effective because other market participants may be attempting to use the same or similar strategies to deal with the challenging market conditions. In such circumstances, it may be difficult for JPMorgan Chase to reduce its risk positions due to the activity of such other market participants.

JPMorgan Chase's products, including loans, leases, lending commitments, derivatives, trading account assets and assets held-for-sale, as well as cash management and clearing activities, expose JPMorgan Chase to credit risk. As one of the nation's largest lenders, JPMorgan Chase has exposures arising from its many different products and counterparties, and the credit quality of JPMorgan Chase's exposures can have a significant impact on its earnings. JPMorgan Chase establishes allowances for probable credit losses that are inherent in its credit exposure, including unfunded lending commitments. JPMorgan Chase also employs stress testing and other techniques to determine the capital and liquidity necessary to protect JPMorgan Chase in the event of adverse economic or market events. These processes are critical to JPMorgan Chase's financial results and condition, and require difficult, subjective and complex judgments, including forecasts of how economic conditions might impair the ability of JPMorgan Chase's borrowers and counterparties to repay their loans or other obligations. As is the case with any such assessments, there is always the chance that JPMorgan Chase will fail to identify the proper factors or that JPMorgan Chase will fail to accurately estimate the impact of factors that it identifies.

JPMorgan Chase's market-making businesses may expose JPMorgan Chase to unexpected market, credit and operational risks that could cause JPMorgan Chase to suffer unexpected losses. Severe declines in asset values, unanticipated credit events, or unforeseen circumstances that may cause previously uncorrelated factors to become correlated (and vice versa) may create losses resulting from risks not appropriately taken into account in the development, structuring or pricing of a financial instrument such as a derivative. Certain of JPMorgan Chase's derivative transactions require the physical settlement by delivery of securities, commodities or obligations that JPMorgan Chase does not own; if JPMorgan Chase is unable to obtain such securities, commodities or obligations within the required timeframe for delivery, this could cause JPMorgan Chase to forfeit payments otherwise due to it and could result in settlement delays, which could damage JPMorgan Chase's reputation and ability to transact future business. In addition, in situations where trades are not settled or confirmed on a timely basis, JPMorgan Chase may be subject to heightened credit and operational risk, and in the event of a default, JPMorgan Chase may be exposed to market and operational losses. In particular, disputes regarding the terms or the settlement procedures of derivative contracts could arise, which could force JPMorgan Chase to incur unexpected costs, including transaction, legal and litigation costs, and impair JPMorgan Chase's ability to manage effectively its risk exposure from these products.

Many of JPMorgan Chase's risk management strategies or techniques have a basis in historical market behaviour, and all such strategies and techniques are based to some degree on management's subjective judgment. For example, many models used by JPMorgan Chase are based on assumptions regarding correlations among prices of various asset classes or other market indicators. In times of market stress, or in the event of other unforeseen circumstances, previously uncorrelated indicators may become correlated, or conversely, previously correlated indicators may make unrelated movements. These sudden market movements or unanticipated or unidentified market or economic movements have in some circumstances limited the effectiveness of JPMorgan Chase's risk management strategies, causing

JPMorgan Chase to incur losses. JPMorgan Chase cannot provide assurance that its risk management framework, including JPMorgan Chase's underlying assumptions or strategies, will at all times be accurate and effective.

In connection with JPMorgan Chase's internal review of the reported losses in the synthetic credit portfolio managed by CIO, management concluded that during the first quarter of 2012 CIO's risk management had been ineffective in dealing with the growth in the size and complexity of the portfolio during the first quarter of 2012. Among other matters, JPMorgan Chase's internal review found that CIO lacked a robust risk committee structure; that CIO's risk limits were insufficiently granular and should have been reassessed in light of the positions being added to the synthetic credit portfolio in the first quarter of 2012; that CIO risk management was insufficiently engaged in the approval and implementation during the first quarter of 2012 of a new CIO Value-at-Risk ("VaR") model related to the portfolio (before that model was discontinued and the previous model was restored); and that there was inadequate escalation to JPMorgan Chase's management of certain risk issues relating to the portfolio. JPMorgan Chase has taken steps to correct such lapses, including, among other things, appointing a new Chief Risk Officer for CIO/Treasury/Corporate ("CTC"); adding resources and talent in CIO risk management; instituting new CTC risk committees to improve governance and controls and ensure tighter linkages between CIO, Treasury and other activities in the Corporate sector; and introducing more granular risk limits for CIO.

In January 2013, JPMorgan Chase & Co. entered into a Consent Order with the Federal Reserve and JPMorgan Chase Bank, N.A. entered into a Consent Order with the OCC relating to the banking regulators' reviews of the CIO matter. These Consent Orders relate to risk management, model governance and other control functions related to CIO and certain other trading activities at JPMorgan Chase. Many of the actions required by the Consent Orders have already been, or are in the process of being, implemented by JPMorgan Chase.

While JPMorgan Chase has taken, and is taking, steps to correct the lapses in the CIO risk management framework, there is no assurance that new or additional lapses in JPMorgan Chase's risk management framework and governance structure could not occur in the future. Any such lapses or other inadequacies in the design or implementation of JPMorgan Chase's risk management framework, governance, procedures or practices could, individually or in the aggregate, cause unexpected losses for JPMorgan Chase, materially and adversely affect JPMorgan Chase's financial condition and results of operations, require significant resources to remediate any risk management deficiency, attract heightened regulatory scrutiny, expose JPMorgan Chase to regulatory investigations or legal proceedings, subject JPMorgan Chase to fines, penalties or judgments, harm JPMorgan Chase's reputation, or otherwise cause a decline in investor confidence.

(b) ***Lapses in disclosure controls and procedures or internal control over financial reporting could materially and adversely affect JPMorgan Chase's operations, profitability or reputation***

JPMorgan Chase is committed to maintaining high standards of internal control over financial reporting and disclosure controls and procedures. Nevertheless, in a firm as large and complex as JPMorgan Chase, lapses or deficiencies in disclosure controls and procedures or in JPMorgan Chase's internal control over financial reporting may occur from time to time. On 13 July 2012, JPMorgan Chase reported that it had determined that a material weakness existed in its internal control over financial reporting at 31 March 2012. This determination related to the valuation control function for the synthetic credit portfolio managed by CIO during the first quarter of 2012. As a result of the material weakness, management also concluded that JPMorgan Chase's disclosure controls and procedures were not effective at 31 March 2012. Management has taken steps to remediate the internal control deficiency, including enhancing management supervision of valuation matters. The control deficiency was substantially remediated by 30 June 2012, and was closed-out by 30 September 2012.

There can be no assurance that JPMorgan Chase's disclosure controls and procedures will be effective in the future or that a material weakness or significant deficiency in internal control over financial reporting could not occur again. Any such lapses or deficiencies may materially and adversely affect JPMorgan Chase's business and results of operations or financial condition, restrict its ability to access the capital markets, require JPMorgan Chase to expend significant resources to correct the lapses or deficiencies, expose JPMorgan Chase to regulatory or legal proceedings, subject it to fines, penalties or judgments, harm JPMorgan Chase's reputation, or otherwise cause a decline in investor confidence.

5.8 Other Risks

(a) ***The financial services industry is highly competitive, and JPMorgan Chase's inability to compete successfully may adversely affect its results of operations***

JPMorgan Chase operates in a highly competitive environment and JPMorgan Chase expects competitive conditions to continue to intensify as the financial services industry produces better-capitalised and more geographically diverse companies that are capable of offering a wider array of financial products and services at more competitive prices.

Competitors include other banks, brokerage firms, investment banking companies, merchant banks, hedge funds, commodity trading companies, private equity firms, insurance companies, mutual fund companies, credit card companies, mortgage banking companies, trust companies, securities processing companies, automobile financing companies, leasing companies, e-commerce and other Internet-based companies, and a variety of other financial services and advisory companies. Technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. JPMorgan Chase's businesses generally compete on the basis of the quality and variety of its products and services, transaction execution, innovation, reputation and price. Ongoing or increased competition in any one or all of these areas may put downward pressure on prices for JPMorgan Chase's products and services or may cause JPMorgan Chase to lose market share. Increased competition also may require JPMorgan Chase to make additional capital investments in its businesses in order to remain competitive. These investments may increase expense or may require JPMorgan Chase to extend more of its capital on behalf of clients in order to execute larger, more competitive transactions. JPMorgan Chase cannot provide assurance that the significant competition in the financial services industry will not materially adversely affect its future results of operations. Competitors of JPMorgan Chase's non-U.S. wholesale businesses are typically subject to different, and in some cases, less stringent, legislative and regulatory regimes. For example, the regulatory objectives underlying several provisions of the Dodd-Frank Act, including the prohibition on proprietary trading under the Volcker Rule and the derivatives "push-out" rules, have not been embraced by governments and regulatory agencies outside the United States and may not be implemented into law in most countries. The more restrictive laws and regulations applicable to U.S. financial services institutions, such as JPMorgan Chase, can put JPMorgan Chase at a competitive disadvantage to its non-U.S. competitors, including prohibiting JPMorgan Chase from engaging in certain transactions, making JPMorgan Chase's pricing of certain transactions more expensive for clients or adversely affecting JPMorgan Chase's cost structure for providing certain products, all of which can reduce the revenue and profitability of JPMorgan Chase's wholesale businesses.

(b) ***JPMorgan Chase's ability to attract and retain qualified employees is critical to the success of its business, and failure to do so may materially adversely affect JPMorgan Chase's performance***

JPMorgan Chase's employees are JPMorgan Chase's most important resource, and in many areas of the financial services industry, competition for qualified personnel is intense. The imposition on JPMorgan Chase or its employees of restrictions on executive compensation may adversely affect JPMorgan Chase's ability to attract and retain qualified senior management and employees. If JPMorgan Chase is unable to continue to retain and attract qualified employees, JPMorgan Chase's performance, including its competitive position, could be materially adversely affected.

(c) ***JPMorgan Chase's financial statements are based in part on assumptions and estimates which, if incorrect, could cause unexpected losses in the future***

Pursuant to accounting principles generally accepted in the United States, JPMorgan Chase is required to use certain assumptions and estimates in preparing its financial statements, including in determining allowances for credit losses, mortgage repurchase liability and reserves related to litigation, among other items. Certain of JPMorgan Chase's financial instruments, including trading assets and liabilities, available-for-sale securities, certain loans, MSRs, private equity investments, structured notes and certain repurchase and resale agreements, among other items, require a determination of their fair value in order to prepare JPMorgan Chase's financial statements. Where quoted market prices are not available, JPMorgan Chase may make fair value determinations based on internally developed models or other means which ultimately rely to some degree on management estimation and judgment. In

addition, sudden illiquidity in markets or declines in prices of certain loans and securities may make it more difficult to value certain balance sheet items, which may lead to the possibility that such valuations will be subject to further change or adjustment. If assumptions or estimates underlying JPMorgan Chase's financial statements are incorrect, JPMorgan Chase may experience material losses.

(d) ***Damage to JPMorgan Chase's reputation could damage its businesses***

Maintaining trust in JPMorgan Chase is critical to JPMorgan Chase's ability to attract and maintain customers, investors and employees. Damage to JPMorgan Chase's reputation can therefore cause significant harm to JPMorgan Chase's business and prospects. Harm to JPMorgan Chase's reputation can arise from numerous sources, including, among others, employee misconduct, compliance failures, litigation or regulatory outcomes or governmental investigations. In addition, a failure to deliver appropriate standards of service and quality, or a failure or perceived failure to treat customers and clients fairly, can result in customer dissatisfaction, litigation and heightened regulatory scrutiny, all of which can lead to lost revenue, higher operating costs and harm JPMorgan Chase's reputation. Adverse publicity regarding JPMorgan Chase, whether or not true, may result in harm to JPMorgan Chase's prospects. Actions by the financial services industry generally or by certain members of or individuals in the industry can also affect JPMorgan Chase's reputation. For example, the role played by financial services firms in the financial crisis, including concerns that consumers have been treated unfairly by financial institutions, has damaged the reputation of the industry as a whole. Should any of these or other events or factors that can undermine JPMorgan Chase's reputation occur, there is no assurance that the additional costs and expenses that JPMorgan Chase may need to incur to address the issues giving rise to the reputational harm could not adversely affect JPMorgan Chase's earnings and results of operations.

Management of potential conflicts of interests has become increasingly complex as JPMorgan Chase continues to expand its business activities through more numerous transactions, obligations and interests with and among JPMorgan Chase's clients. The failure to adequately address, or the perceived failure to adequately address, conflicts of interest could affect the willingness of clients to deal with JPMorgan Chase, or give rise to litigation or enforcement actions, as well as cause serious reputational harm to JPMorgan Chase.

(e) ***Status of the JPMorgan Chase Bank, N.A. Guarantee***

The JPMorgan Chase Bank, N.A. Guarantee (i) is unsecured and unsubordinated general obligations of JPMorgan Chase Bank, N.A., and not of any of its respective affiliates, (ii) is not a savings account or deposit of JPMorgan Chase Bank, N.A. or any bank or non-bank subsidiary of JPMorgan Chase Bank, N.A. and (iii) will rank *pari passu* with all other unsecured and unsubordinated indebtedness of JPMorgan Chase Bank, N.A. except obligations, including U.S. domestic deposits of JPMorgan Chase Bank, N.A., that are subject to any priorities or preferences by law.

The JPMorgan Chase Bank, N.A. Guarantee is not a deposit insured by the FDIC, the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality.

In particular, U.S. federal legislation adopted in 1993 provides for a preference in right of payment of certain claims made in the liquidation or other resolution of any FDIC-insured depository institution, which includes JPMorgan Chase Bank, N.A. The statute requires claims to be paid in the following order:

- first, administrative expenses of the receiver;
- second, any deposit liability of the institution;
- third, any other general or senior liability of the institution not described below;
- fourth, any obligation subordinated to depositors or general creditors not described below; and
- fifth, any obligation to shareholders or members (including any depository institution holding company or any shareholder or creditor of such company).

Deposit liabilities has been interpreted by the FDIC to include any deposit payable at an office of the insured depository institution in the United States, and not to include international banking facility deposits or deposits payable at an office of the insured depository institution outside the United States.

(f) ***Limitations of the JPMorgan Chase Bank, N.A. Guarantee***

The guarantee of JPMorgan Chase Bank, N.A. under the JPMorgan Chase Bank, N.A. Guarantee is limited to a guarantee of the payment and other obligations which the Issuer has under the terms and conditions of the Securities, and the Guarantor may therefore apply all exclusions, exceptions and defences available to the Issuer under the terms and conditions of the Securities and at law. Accordingly, where the Issuer has failed to perform an obligation under the Securities but its failure to do so is excused under the terms and conditions of the Securities, then the Guarantor will not be obliged under the terms of the JPMorgan Chase Bank, N.A. Guarantee to satisfy such failed obligation of the Issuer. For example, if the Issuer is prohibited, unable, or otherwise fails to make any payment, or any portion thereof or to perform any other obligation, because or arising out of an act of war, insurrection or civil strife; an action by any government or governmental authority or instrumentality thereof (whether de jure or de facto), legal constraint, terrorism, riots, or catastrophe, and the Calculation Agent therefore determines that a "Payment Disruption Event" has occurred (under General Condition 13.1 (*Occurrence of a Payment Disruption Event*) below), then the Guarantor will be under no obligation under the terms of the JPMorgan Chase Bank, N.A. Guarantee to satisfy the Issuer's payment obligation for so long as the Issuer has postponed the making of such payment or ultimately written the obligation down to zero as a consequence of such "Payment Disruption Event".

PERFORMANCE SCENARIOS

The scenarios presented below are examples and are purely indicative and are presented for illustrative purposes only. The examples shown below will not have an equal likelihood of occurrence. The redemption amount in respect of the Securities will be calculated in accordance with the terms and conditions of the Securities as set out in this Prospectus.

The following scenarios should be read in conjunction with Schedule 1 to the Contractual Terms on pages 73 to 75 of this Prospectus and all defined terms used below shall be as so defined in Schedule 1 to the Contractual Terms.

The terms of the Securities provide that the Issuer shall redeem each Security (of the Specified Denomination) on an Early Redemption Date or the Maturity Date, as the case may be, pursuant to paragraphs (i) and (ii) below, as applicable:

(i) **Redemption on an Early Redemption Date**

If the Calculation Agent determines, on a Valuation Date (other than the Final Valuation Date), that the Closing Index Level of the Worse Performing Index in respect of such Valuation Date is greater than or equal to its Early Redemption Level in respect of such Valuation Date (in which case an "**Early Redemption Event**" shall be deemed to have occurred on such Valuation Date), then, unless the Securities have previously been redeemed, or purchased and cancelled, in accordance with the Conditions, the Issuer shall redeem each Security (of the Specified Denomination) on the Early Redemption Date in respect of such Valuation Date by payment, in respect of each Security (of the Specified Denomination), of an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$SD \times \text{Early Redemption Amount}$$

(ii) **Redemption on the Maturity Date**

Unless previously redeemed, or purchased and cancelled, in accordance with the Conditions, and provided that an Early Redemption Event has not occurred on any Valuation Date prior to the Final Valuation Date, the Issuer shall redeem each Security (of the Specified Denomination) on the Maturity Date by payment of the Final Redemption Amount, determined in accordance with paragraph (a) or (b) below, as applicable:

(a) if the Calculation Agent determines that the Closing Index Level of the Worse Performing Index for the Final Valuation Date is less than the Barrier Level on any Observation Date (Closing Valuation) during the Observation Period (such an event being a "**Barrier Event**"), as determined by the Calculation Agent, and:

(I) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is less than 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be an amount in the Specified Currency, determined by the Calculation Agent in accordance with the following formula:

$$SD \times \text{Max} \left\{ 0.0001; \text{Min} \left[\left(\frac{\text{Final Index Level}_{\text{Worse}}}{\text{Initial Index Level}_{\text{Worse}}} \right); 1 \right] \right\}; \text{ or}$$

(II) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is greater than or equal to 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be equal to U.S.\$ 1,492; or

(b) if a Barrier Event has not occurred, and:

(I) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is less

than 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be equal to U.S.\$ 1,000; or

- (II) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is greater than or equal to 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be equal to U.S.\$ 1,492.

The Specified Denomination per Security is U.S.\$ 1,000 and the Initial Index Level, is in respect of (i) the UKX Index, 6,583.09 and (ii) the SPX Index, 1,630.74. The Barrier Level is in respect of (i) the UKX Index, 3,291.55 and (ii) the SPX Index, 815.37, being 50 per cent. of the Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards).

Scenario 1

The official closing level of the Worse Performing Index on the Valuation Date scheduled to fall on 27 May 2014 (the first Valuation Date) is greater than or equal to its Early Redemption Level.

The Securities will be redeemed on the first early redemption date, which is scheduled to fall on 30 May 2014 and the redemption amount payable per Security (of the Specified Denomination) on such date shall be an amount in USD equal to (i) U.S.\$ 1,000, *multiplied* by (ii) 1.082, i.e., U.S.\$ 1,082.

Scenario 2

The official closing level of the Worse Performing Index on the Valuation Date preceding the Valuation Date scheduled to fall on 26 May 2015 (the second Valuation Date) is less than its Early Redemption Level. The official closing level of the Worse Performing Index on the second Valuation Date is greater than or equal to its Early Redemption Level.

The Securities will be redeemed on the second early redemption date, which is scheduled to fall on 1 June 2015 and the redemption amount payable per Security (of the Specified Denomination) on such date shall be an amount in USD equal to (i) U.S.\$ 1,000, *multiplied* by (ii) 1.164, i.e., U.S.\$ 1,164.

Scenario 3

The official closing level of the Worse Performing Index on the Valuation Dates preceding the Valuation Date scheduled to fall on 24 May 2016 (the third Valuation Date) is less than its Early Redemption Level. The official closing level of the Worse Performing Index on the third Valuation Date is greater than or equal to its Early Redemption Level.

The Securities will be redeemed on the third early redemption date, which is scheduled to fall on 31 May 2016 and the redemption amount payable per Security (of the Specified Denomination) on such date shall be an amount in USD equal to (i) U.S.\$ 1,000, *multiplied* by (ii) 1.246, i.e., U.S.\$ 1,246.

Scenario 4

The official closing level of the Worse Performing Index on the Valuation Dates preceding the Valuation Date scheduled to fall on 24 May 2017 (the fourth Valuation Date) is less than its Early Redemption Level. The official closing level of the Worse Performing Index on the fourth Valuation Date is greater than or equal to its Early Redemption Level.

The Securities will be redeemed on the fourth early redemption date, which is scheduled to fall on 30 May 2017 and the redemption amount payable per Security (of the Specified Denomination) on such date shall be an amount in USD equal to (i) U.S.\$ 1,000, *multiplied* by (ii) 1.328, i.e., U.S.\$ 1,328.

Scenario 5

The official closing level of the Worse Performing Index on the Valuation Dates preceding the Valuation Date scheduled to fall on 24 May 2018 (the fifth Valuation Date) is less than its Early Redemption Level. The official closing level of the Worse Performing Index on the fifth Valuation Date is greater than or equal to its Early Redemption Level.

The Securities will be redeemed on the fifth early redemption date, which is scheduled to fall on 30 May 2018 and the redemption amount payable per Security (of the Specified Denomination) on such date shall be an amount in USD equal to (i) U.S.\$ 1,000, *multiplied* by (ii) 1.410, i.e., U.S.\$ 1,410.

Scenario 6

The official closing level of the Worse Performing Index on the Valuation Dates preceding the Valuation Date scheduled to fall on 31 May 2019 (the Final Valuation Date) is less than its Early Redemption Level. The official closing level of the Worse Performing Index is less than the Barrier Level on one or more scheduled trading days that are not disrupted days for such Index during the period from, and including, 31 May 2013 to, and including, 31 May 2019. The official closing level of the Worse Performing Index on the Final Valuation Date is 74 per cent. of its Initial Index Level.

The Securities will be redeemed on the maturity date, which is scheduled to fall on 14 June 2019 and the final redemption amount payable per Security (of the Specified Denomination) will be an amount in USD equal to the *product* of (i) U.S.\$ 1,000, *multiplied* by (ii) the *greater* of (a) 0.0001 and (b) the *quotient* of (I) the Final Index Level of the Worse Performing Index, *divided* by (II) the Initial Index Level of the Worse Performing Index (being 0.74), i.e. U.S.\$ 740. **In this scenario, an investor who purchased the Securities at the Issue Price will sustain a partial loss of the amount invested in the Securities.**

Scenario 7

The official closing level of the Worse Performing Index on the Valuation Dates preceding the Valuation Date scheduled to fall on 31 May 2019 (the Final Valuation Date) is less than its Early Redemption Level. The official closing level of the Worse Performing Index is less than the Barrier Level on one or more scheduled trading days that are not disrupted days for such Index during the period from, and including, 31 May 2013 to, and including, 31 May 2019. The official closing level of the Worse Performing Index on the Final Valuation Date is greater than or equal to 75 per cent. of its Initial Index Level.

The Securities will be redeemed on the maturity date, which is scheduled to fall on 14 June 2019 and the final redemption amount payable per Security (of the Specified Denomination) will be U.S.\$ 1,492. **In this scenario the return is capped.**

Scenario 8

The official closing level of the Worse Performing Index on the Valuation Dates preceding the Valuation Date scheduled to fall on 31 May 2019 (the Final Valuation Date) is less than its Early Redemption Level. The official closing level of the Worse Performing Index is greater than or equal to the Barrier Level on each scheduled trading day that is not a disrupted day for such Index during the period from, and including, 31 May 2013 to, and including, 31 May 2019. The official closing level of the Worse Performing Index for the Final Valuation Date is less than 75 per cent. of its Initial Index Level but greater than equal to 50 per cent. of its Initial Index Level.

The Securities will be redeemed on the maturity date, which is scheduled to fall on 14 June 2019 and the final redemption amount payable per Security (of the Specified Denomination) will be U.S.\$ 1,000.

Scenario 9

The official closing level of the Worse Performing Index on any of the Valuation Dates preceding the Valuation Date scheduled to fall on 31 May 2019 (the Final Valuation Date) is less than its Early Redemption Level. The official closing level of the Worse Performing Index is greater than or equal to the Barrier Level on each scheduled trading day that is not a disrupted day for such Index during the period from, and including, 31 May 2013 to, and including, 31 May 2019. The official closing level of the Worse Performing Index for the Final Valuation Date is greater than or equal to 75 per cent. of its Initial Index Level.

The Securities will be redeemed on the maturity date, which is scheduled to fall on 14 June 2019 and the final redemption amount payable per Security (of the Specified Denomination) will be an amount in USD equal to U.S.\$ 1,492. **In this scenario the return is capped.**

Scenario 10

The official closing level of the Worse Performing Index on the Valuation Dates preceding the Valuation Date scheduled to fall on 31 May 2019 (the Final Valuation Date) is less than its Early Redemption Level. The official closing level of the Worse Performing Index on the Final Valuation Date is zero per cent. of its Initial Index Level.

The Securities will be redeemed on the maturity date, which is scheduled to fall on 14 June 2019 and the final redemption amount payable per Security (of the Specified Denomination) will be an amount in USD equal to the *product* of (i) U.S.\$ 1,000, *multiplied* by (ii) the *greater* of (a) 0.0001 and (b) the *quotient* of (I) the Final Index Level of the Worse Performing Index, *divided* by (II) the Initial Index Level of the Worse Performing Index (being zero), i.e., U.S.\$ 0.10. **In this scenario, an investor who purchased the Securities at the Issue Price will sustain a virtually total loss of the amount invested in the Securities.**

DOCUMENTS INCORPORATED BY REFERENCE

This document should be read and construed in conjunction with the documents incorporated by reference into this Prospectus and each supplement to this Prospectus. The information set forth under II. (*Information*) below contained in the documents set forth under I. (*Documents*) below which, in respect of (iii) to (ix) below, have been filed by JPMorgan Chase & Co. with the U.S. Securities and Exchange Commission ("SEC"), is hereby incorporated by reference into this Prospectus and deemed to form a part of this Prospectus:

I. Documents

- (i) the base prospectus dated 3 May 2013 relating to issues of non-equity securities under the Programme by J.P. Morgan Structured Products B.V., JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. (the **"2013 Base Prospectus"**);
- (ii) Supplement No. 2 dated 26 July 2013 to the 2013 Base Prospectus (the **"2013 Base Prospectus Supplement No. 2"**);
- (iii) the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2012 (the **"JPMorgan Chase & Co. 2012 Form 10-K"**);
- (iv) the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2011 (the **"JPMorgan Chase & Co. 2011 Form 10-K"**);
- (v) the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 30 June 2013 containing the unaudited consolidated financial statements of JPMorgan Chase & Co. for the quarter ended 30 June 2013 (the **"JPMorgan Chase & Co. June 2013 Form 10-Q"**);
- (vi) the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 31 March 2013 containing the unaudited consolidated financial statements of JPMorgan Chase & Co. for the quarter ended 31 March 2013 (the **"JPMorgan Chase & Co. March 2013 Form 10-Q"**);
- (vii) the Current Report on Form 8-K of JPMorgan Chase & Co. dated 12 July 2013 containing the earnings press release of JPMorgan Chase & Co. for the quarter ended 30 June 2013 (the **"JPMorgan Chase & Co. 12 July 2013 Form 8-K"**);
- (viii) the Current Report on Form 8-K of JPMorgan Chase & Co. dated 12 April 2013 containing the earnings press release of JPMorgan Chase & Co. for the quarter ended 31 March 2013 (the **"JPMorgan Chase & Co. 12 April 2013 Form 8-K"**);
- (ix) the Proxy Statement on Schedule 14A of JPMorgan Chase & Co. dated 10 April 2013 (the **"JPMorgan Chase & Co. 2013 Proxy Statement"**);
- (x) the JPMorgan Chase Bank, N.A. unaudited Interim Financial Statements for the half yearly period ended 30 June 2013 (the **"JPMorgan Chase Bank, N.A. 2013 Interim Financial Statements"**);
- (xi) the audited consolidated financial statements of JPMorgan Chase Bank, N.A. for the three years ended 31 December 2012 (the **"JPMorgan Chase Bank, N.A. 2012 Audited Financial Statements"**);
- (xii) the audited consolidated financial statements of JPMorgan Chase Bank, N.A. for the three years ended 31 December 2011 (the **"JPMorgan Chase Bank, N.A. 2011 Audited Financial Statements"**);
- (xiii) the JPMSP unaudited Interim Financial Statements for the half yearly period ended 30 June 2013 (the **"JPMSP 2013 Interim Financial Statements"**);
- (xiv) the JPMSP audited financial statements for the year ended 31 December 2012 (the **"JPMSP 2012 Audited Financial Statements"**); and
- (xv) the JPMSP audited financial statements for the year ended 31 December 2011 (the **"JPMSP 2011 Audited Financial Statements"**).

II. Information

The table below sets out the relevant page references for the information incorporated into this Prospectus by reference. The Documents, or copies thereof, will be available, during normal business hours on any working day in Luxembourg, free of charge, at the office of the Paying Agent in Luxembourg.

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* The page numbers referenced above in relation to the JPMorgan Chase & Co. June 2013 Form 10-Q, the JPMorgan Chase & Co. March 2013 Form 10-Q, the JPMorgan Chase & Co. 12 July 2013 Form 8-K and the JPMorgan Chase & Co. 12 April 2013 Form 8-K relate to the PDF version of each document.

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of any Securities. Any statement contained in a document, all or the relevant portion of which is incorporated by reference into this Prospectus, shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus or in any supplement to this Prospectus, including any documents incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). The Prospectus and the documents incorporated by reference will be available on the Luxembourg Stock Exchange's website (www.bourse.lu).

JPMorgan Chase & Co.'s filings with the SEC are available to the public on the website maintained by the SEC at <http://www.sec.gov>. Such filings can also be inspected and printed or copied, for a fee, at the SEC's Office of Public Reference, 100 F Street N.E., Washington, D.C. 20549, U.S.A., or by contacting that office by phone: +1 202 942 8090, fax: +1 202 628 9001 or e-mail: publicinfo@sec.gov. Investors may call the SEC at +1 800 732 0330 for further information on the public reference rooms. JPMorgan Chase & Co.'s SEC filings can also be viewed on JPMorgan Chase & Co.'s investor relations website at <http://investor.shareholder.com/jpmorganchase/>. Unless specifically incorporated by reference into this Prospectus, JPMorgan Chase & Co.'s filings with the SEC shall not be deemed to be part of this Prospectus.

JPMorgan Chase Bank, N.A. also files quarterly Consolidated Reports of Condition and Income ("**Call Reports**") with its primary federal regulator, the U.S. Office of the Comptroller of the Currency. These Call

Reports are publicly available upon written request to the FDIC at 3501 North Fairfax Drive, Room E-1002, Arlington, Virginia 22226, Attention: Public Information Center. The FDIC has a website where the Call Reports can be viewed, at <http://www.fdic.gov>. The Call Reports are prepared in accordance with regulatory instructions issued by the U.S. Federal Financial Institutions Examinations Council and not U.S. generally accepted accounting principles. The Call Reports are supervisory and regulatory documents; they are not primarily accounting documents, do not conform with U.S. generally accepted accounting principles and do not provide a complete range of financial disclosure about JPMorgan Chase Bank, N.A. Nevertheless, the Call Reports do provide important information concerning the financial condition of JPMorgan Chase Bank, N.A. The Call Reports are not incorporated by reference in, and shall not be deemed to be part of, this Prospectus as the information contained in such reports is either provided elsewhere in this Prospectus or is not relevant to investors in the Securities.

CONTRACTUAL TERMS

The Conditions of the Securities shall comprise the General Conditions of the Notes (included herein at Annex 1), as completed and/or amended by the Index Linked Provisions (included herein at Annex 2), and as completed and/or amended by these Contractual Terms (and, for the purposes of construing the General Conditions and the Index Linked Provisions, these Contractual Terms shall be deemed to be a Pricing Supplement).

- | | | |
|----|--|--|
| 1. | (i) Issuer: | J.P. Morgan Structured Products B.V. |
| | (ii) Guarantor: | JPMorgan Chase Bank, N.A. |
| 2. | (i) Series Number: | 2013-422 |
| | (ii) Tranche Number: | One |
| 3. | Specified Currency or Currencies: | United States dollar ("USD" or "U.S.\$") |
| 4. | Notes, Warrants or Certificates: | Notes |
| 5. | Aggregate Nominal Amount: | |
| | (i) Series: | U.S.\$ 4,046,000 |
| | (ii) Tranche: | U.S.\$ 4,046,000 |
| 6. | Issue Price: | 98.50 per cent. (98.50%) of the Aggregate Nominal Amount |

The Issue Price specified above may be more than the market value of the Securities as at the Issue Date, and the price, if any, at which the Dealer or any other person is willing to purchase the Securities in secondary market transactions is likely to be lower than the Issue Price. In particular, where permitted by applicable law, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Securities as well as amounts relating to the hedging of the Issuer's obligations under the Securities and secondary market prices may exclude such amounts

If any commissions or fees relating to the issue and sale of the Securities have been paid or are payable by the Dealer to an intermediary, then such intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC), or as otherwise may apply in any non-

EEA jurisdictions

Investors in the Securities intending to invest in Securities through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof

- (i) Specified Denomination: U.S.\$ 1,000
 - (ii) Trading in Units (*Notes*): Not Applicable
 - (iii) Minimum trading size: The Securities may only be traded in a minimum initial amount of one Security (corresponding to a nominal amount of U.S.\$ 1,000) and, thereafter, in multiples of one Security (corresponding to a nominal amount of U.S.\$ 1,000)
7. **Issue Date:** 14 June 2013
8. **Maturity Date:** 14 June 2019

PROVISIONS APPLICABLE TO NOTES

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 9. **Interest Commencement Date:** Not Applicable
- 10. **Fixed Rate Note Provisions:** Not Applicable
- 11. **Floating Rate Note Provisions:** Not Applicable
- 12. **Zero Coupon Note Provisions:** Not Applicable
- 13. **Variable Linked Interest Provisions:** Not Applicable
- 14. **Dual Currency Note Provisions:** Not Applicable

PROVISIONS RELATING TO REDEMPTION OF NOTES

- 15. **Call Option:** Not Applicable
- 16. **Put Option:** Not Applicable
- 17. **Final Redemption Amount:**

In cases where the Final Redemption Amount is Share Linked, Index Linked, Commodity Linked, FX Linked or other variable linked:

- (i) Reference Asset(s): The Indices as defined below in paragraph 42 and in Schedule 1 (*Other Applicable Terms*) hereto
- (ii) Provisions for determining Final Redemption Amount where calculated by reference to Share and/or Index: See Schedule 1 (*Other Applicable Terms*) below

and/or Commodity and/or FX Rate
and/or other variable:

- (iii) Provisions for determining Final Redemption Amount where calculation by reference to Share and/or Index and/or Commodity and/or FX Rate and/or other variable is impossible or impracticable or otherwise disrupted: See paragraph 42 and Schedule 1 (*Other Applicable Terms*) below

18. Early Payment Amount:

Early Payment Amount(s) payable on an event of default (General Condition 15), termination for illegality (General Condition 16) or redemption for taxation reasons (General Condition 17) and/or the method of calculating the same (if required or if different from that set out in the General Conditions): As set out in General Condition 30 (*Definitions*)

19. Credit Linked Note Provisions: Not Applicable

20. Details relating to Instalment Notes: Not Applicable

21. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable

PROVISIONS APPLICABLE TO WARRANTS

Paragraphs 22-33 are intentionally deleted

PROVISIONS APPLICABLE TO CERTIFICATES

Paragraphs 34-40 are intentionally deleted

SPECIFIC PRODUCT PROVISIONS APPLICABLE TO THE SECURITIES

SHARE LINKED PROVISIONS

41. Share Linked Provisions: Not Applicable

INDEX LINKED PROVISIONS

42. Index Linked Provisions: Applicable

- (i) Single Index or basket of Indices: Basket of Indices

(ii) Index/Indices:	<p>The Indices are:</p> <ul style="list-style-type: none"> (i) the FTSE[®] 100 Index (<i>Bloomberg Code: UKX <Index></i>) (the "UKX Index"); and (ii) the S&P 500[®] Index (<i>Bloomberg Code: SPX <Index></i>) (the "SPX Index") <p>(each, an "Index" and collectively, the "Indices")</p>
(iii) Type of Index:	In respect of each Index, Unitary Index
(iv) Exchange(s):	<p>In respect of:</p> <ul style="list-style-type: none"> (i) the UKX Index, the London Stock Exchange; and (ii) the SPX Index, each of the New York Stock Exchange and the NASDAQ Stock Market LLC
(v) Related Exchange(s):	In respect of each Index, All Exchanges
(vi) Index Sponsor:	<p>In respect of:</p> <ul style="list-style-type: none"> (i) the UKX Index, FTSE International Limited; and (ii) the SPX Index, S&P Dow Jones Indices LLC
(vii) Index Level:	Not Applicable
(viii) Initial Valuation Date(s):	In respect of each Index, 31 May 2013
(ix) Interest Valuation Date(s):	Not Applicable
(x) Coupon Valuation Date(s):	Not Applicable
(xi) Periodic Valuation Date(s):	Not Applicable
(xii) Valuation Date(s):	<p>In respect of each Index, each of 27 May 2014, 26 May 2015, 24 May 2016, 24 May 2017, 24 May 2018 and 31 May 2019</p> <p>The Valuation Date scheduled to fall on 31 May 2019 shall be the "Final Valuation Date"</p>
(xiii) Initial Averaging Date(s):	Not Applicable
(xiv) Averaging Date(s):	Not Applicable
(xv) Valuation Time:	In respect of each Index, as specified in Index Linked Provision 7 (<i>Definitions</i>)
(xvi) Maximum Days of Disruption:	In respect of each Index and each Valuation Date, eight Scheduled Trading Days, as specified in Index Linked Provision 7 (<i>Definitions</i>)

(xvii) Averaging Reference Dates (Disrupted Day consequences):	Not Applicable
(xviii) Fallback Valuation Date:	Applicable: in respect of each Index and: <ul style="list-style-type: none"> (i) each Valuation Date (other than the Final Valuation Date), the second Business Day prior to the first Early Redemption Date scheduled to fall after the day on which such Valuation Date is scheduled to fall; and (ii) the Final Valuation Date, the second Business Day prior to the Maturity Date
(xix) Observation Period:	Applicable in respect of each Index There shall be a separate Observation Period for each Index
(a) Observation Period Start Date:	Initial Valuation Date for such Index (and such date shall be included in the Observation Period for such Index)
(b) Observation Period End Date:	The Valuation Date in respect of such Index (and such date shall be included in the Observation Period for such Index)
(c) Observation Date (Closing Valuation):	Applicable – as specified in Index Linked Provision 7 (<i>Definitions</i>). Each Valuation Date for an Index shall be deemed to be an Observation Date (Closing Valuation) for an Index
(d) Observation Date (Intra-Day Valuation):	Not Applicable
(xx) Change in Law – Increased Cost:	Not Applicable
(xxi) Hedging Disruption:	Not Applicable

COMMODITY LINKED PROVISIONS

43. Commodity Linked Provisions:	Not Applicable
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FX LINKED PROVISIONS

44. FX Linked Provisions:	Not Applicable
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MARKET ACCESS PARTICIPATION PROVISIONS

45. Market Access Participation Provisions:	Not Applicable
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LOW EXERCISE PRICE WARRANT PROVISIONS

46. Low Exercise Price Warrant Provisions:	Not Applicable
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GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

47.	New Global Note:	Not Applicable
48.	Form of Securities:	Registered Securities
	(i) Temporary or Permanent Bearer Global Security / Registered Global Security:	Temporary Registered Global Security which is exchangeable for a Permanent Registered Global Security, each of which is exchangeable for Registered Definitive Securities (i) automatically in the limited circumstances specified in the relevant Registered Global Security or (ii) in the case of a Permanent Registered Global Note only, at any time at the option of the Issuer by giving notice to the Holders and the Registrar of its intention to effect such exchange on the terms as set forth in the relevant Permanent Registered Global Security
	(ii) Are the Notes to be issued in the form of obligations under French law?	No
	(iii) Name of French Registration Agent:	Not Applicable
	(iv) Representation of Holders of Notes/Masse:	Not Applicable
	(v) Regulation S/Rule 144A Warrants:	Not Applicable
59.	Record Date:	As set out in the General Conditions
50.	Additional Financial Centre(s) (General Condition 12.2) or other special provisions relating to payment dates:	For the avoidance of doubt, London
51.	Payment Disruption Event (General Condition 13):	Not Applicable
52.	Early Redemption for Tax on Underlying Hedge Transactions (General Condition 17.4):	Not Applicable
53.	Physical Settlement:	Not Applicable
54.	Calculation Agent:	J.P. Morgan Securities plc
55.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
56.	Gross Up (General Condition 17):	Applicable – as specified in General Condition 17.1
	Exclude Section 871(m) Taxes from Gross Up (General Condition 17):	Not Applicable
57.	Rounding:	General Condition 21 applies, subject to Schedule 1

(*Other Applicable Terms*) hereto

58. **Other terms or special conditions:** Applicable – see the Schedule 1 (*Other Applicable Terms*) hereto

DISTRIBUTION

59. **If non-syndicated, name and address of Dealer:** J.P. Morgan Securities plc of 25 Bank Street, Canary Wharf, London E14 5JP

60. **Stabilising Manager(s) (if any):** Not Applicable

61. **Total commission and concession:** See paragraph 6 above

62. **U.S. selling restrictions:** Regulation S

ERISA Restrictions for all Securities (including Rule 144A Securities and Securities subject to Regulation S)

JPMSP Standard Restrictions apply: The Securities may not be acquired by, on behalf of, or with the assets of any plans subject to ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, other than certain insurance company general accounts. See "Subscription and Sale – United States" and "Purchaser Representations and Requirements and Transfer Restrictions – ERISA Legends and ERISA Restrictions – (b) JPMSP Standard Restrictions" in the 2013 Base Prospectus.

63. **Additional Selling Restrictions:** Not Applicable

64. **Swiss Distribution:** Yes

GENERAL

65. The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●] = U.S.\$ [●], producing a sum of: Not Applicable

GOVERNING LAW AND JURISDICTION

Securities: English law/Courts of England

Guarantee: English law/Courts of England

OTHER INFORMATION

LISTING AND ADMISSION TO TRADING

Application has been made for the Securities to be listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (which is regulated by Directive 2004/39/EC on Markets in Financial Instruments) with effect from, at the earliest, the date on which this Prospectus is approved by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**Approval Date**"). No assurances can be given that such application for listing and admission to trading will be granted (or, if granted, will be granted by the Approval Date).

The Issuer has no duty to maintain the listing (if any) of the Securities on the Luxembourg Stock Exchange over their entire lifetime. Securities may be suspended from trading and/or de-listed at any time in accordance with applicable rules and regulations of the Luxembourg Stock Exchange.

RATINGS

Not Applicable

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in the section of the 2013 Base Prospectus entitled "Subscription and Sale" starting on page 280 of the 2013 Base Prospectus and in the section of this Prospectus entitled "Conflicts of Interest", so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the issue.

REASONS FOR THE ISSUE AND ESTIMATED NET PROCEEDS

(i) Reasons for the issue: Not Applicable

(ii) Estimated net proceeds: Not Applicable

PERFORMANCE OF INDEX / FORMULA / OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Details of the past and further performance and the volatility of the Indices may be obtained from Bloomberg[®].

The value of the Securities will depend on the performance of each Index on each Valuation Date and whether the Securities will redeem early will depend on the performance of each Index on each Valuation Date (other than the Final Valuation Date). The Final Redemption Amount is dependent on the performance of each Index on the Final Valuation Date and each Observation Date (Closing Valuation). See the Contractual Terms above and Schedule 1 (*Other Applicable Terms*) below for further details.

Capitalised terms used herein shall have the meanings ascribed to them in the Contractual Terms above or Schedule 1 (*Other Applicable Terms*) below.

POST-ISSUANCE INFORMATION

The Issuer will not provide any post-issuance information with respect to any of the Indices, unless required to do so by applicable law or regulation.

OPERATIONAL INFORMATION

Intended to be held in a manner which would allow No
Eurosystem eligibility:

ISIN: XS0857180458

Common Code:	085718045
Relevant Clearing System(s) and the relevant identification number(s):	Euroclear/Clearstream, Luxembourg
Delivery:	Delivery against payment
The Agents appointed in respect of the Securities are:	As set out in the Agency Agreement
Registrar:	The Bank of New York Mellon (Luxembourg) S.A.

SCHEDULE 1

OTHER APPLICABLE TERMS

1. Redemption

The Issuer shall redeem each Security (of the Specified Denomination) on an Early Redemption Date or the Maturity Date, as the case may be, pursuant to paragraphs (i) or (ii) below, as applicable:

(i) Redemption on an Early Redemption Date

If the Calculation Agent determines, on a Valuation Date (other than the Final Valuation Date), that the Closing Index Level of the Worse Performing Index in respect of such Valuation Date is greater than or equal to its Early Redemption Level in respect of such Valuation Date (in which case an "**Early Redemption Event**" shall be deemed to have occurred on such Valuation Date), then, unless the Securities have previously been redeemed, or purchased and cancelled, in accordance with the Conditions, the Issuer shall redeem each Security (of the Specified Denomination) on the Early Redemption Date in respect of such Valuation Date by payment, in respect of each Security (of the Specified Denomination), of an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$SD \times \text{Early Redemption Amount}$$

(ii) Redemption on the Maturity Date

Unless previously redeemed, or purchased and cancelled, in accordance with the Conditions, and provided that an Early Redemption Event has not occurred on any Valuation Date prior to the Final Valuation Date, the Issuer shall redeem each Security (of the Specified Denomination) on the Maturity Date by payment of the Final Redemption Amount, determined in accordance with paragraph (a) or (b) below, as applicable:

(a) if the Calculation Agent determines that the Closing Index Level of the Worse Performing Index for the Final Valuation Date is less than the Barrier Level on any Observation Date (Closing Valuation) during the Observation Period (such an event being a "**Barrier Event**"), as determined by the Calculation Agent, and:

(I) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is less than 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be an amount in the Specified Currency, determined by the Calculation Agent in accordance with the following formula:

$$SD \times \text{Max} \left\{ 0.0001; \text{Min} \left[\left(\frac{\text{Final Index Level}_{\text{Worse}}}{\text{Initial Index Level}_{\text{Worse}}} \right); 1 \right] \right\}; \text{ or}$$

(II) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is greater than or equal to 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be equal to U.S.\$ 1,492; or

(b) if a Barrier Event has not occurred, and:

- (I) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is less than 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be equal to U.S.\$ 1,000: or
- (II) if the Final Index Level of the Worse Performing Index for the Final Valuation Date is greater than or equal to 75 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), the Final Redemption Amount in respect of each Security (of the Specified Denomination) shall be equal to U.S.\$ 1,492.

In respect of each Index, as of the Scheduled Trading Day for such Index immediately preceding the date of this Pricing Supplement, a Barrier Event had not occurred.

2. Definitions

For these purposes, the following terms shall have the following meanings:

"Barrier Level" means, in respect of each Index, 50 per cent. of its Initial Index Level (rounded to two decimal places, with 0.005 rounded upwards), as determined by the Calculation Agent, and subject to adjustment and correction in accordance with the Conditions, being, in respect of:

- (i) the UKX Index, 3,291.55; and
- (ii) the SPX Index, 815.37.

"Early Redemption Amount" means, in respect of each Index and the Valuation Date scheduled to fall on:

- (i) 27 May 2014, 1.082;
- (ii) 26 May 2015, 1.164;
- (iii) 24 May 2016, 1.246;
- (iv) 24 May 2017, 1.328; and
- (v) 24 May 2018, 1.410.

"Early Redemption Date" means, in respect of the Valuation Date scheduled to fall on:

- (i) 27 May 2014, 30 May 2014;
- (ii) 26 May 2015, 1 June 2015;
- (iii) 24 May 2016, 31 May 2016;
- (iv) 24 May 2017, 30 May 2017; and
- (v) 24 May 2018, 30 May 2018.

"Early Redemption Level" means, in respect of an Index and the Valuation Date scheduled to fall on:

- (i) 27 May 2014, 100 per cent. of the Initial Index Level of such Index;
- (ii) 26 May 2015, 95 per cent. of the Initial Index Level of such Index;

- (iii) 24 May 2016, 90 per cent. of the Initial Index Level of such Index;
- (iv) 24 May 2017, 85 per cent. of the Initial Index Level of such Index; and
- (v) 24 May 2018, 80 per cent. of the Initial Index Level of such Index,

in each case rounded to two decimal places, with 0.005 rounded upwards.

"Final Index Level" means, in respect of each Index, the Closing Index Level of such Index in respect of the Final Valuation Date, subject to adjustment and correction in accordance with the Conditions.

"Final Index Level_{Worse}" means the Final Index Level of the Worse Performing Index in respect of the Final Valuation Date.

"Index Performance" means, in respect of an Index and any date, the amount equal to the quotient of (i) the Closing Index Level of such Index on such date divided by (ii) its Initial Index Level, as determined by the Calculation Agent.

"Initial Index Level" means, in respect of:

- (i) UKX, 6,583.09; and
- (ii) SPX, 1,630.74,

in each case, being the Closing Index Level of such Index on the Initial Valuation Date of such Index, subject to adjustment and correction in accordance with the Conditions.

"Initial Index Level_{Worse}" means the Initial Index Level of the Worse Performing Index in respect of the Final Valuation Date.

"Max" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a semi-colon inside those brackets.

"Min" followed by a series of amounts inside brackets, means whichever is the lesser of the amounts separated by a semi-colon inside those brackets.

"SD" means, in respect of each Security, the Specified Denomination, being U.S.\$ 1,000(or, if less, its outstanding nominal amount).

"Worse Performing Index" means, in respect of any date, the Index with the lower Index Performance in respect of such date, as determined by the Calculation Agent, provided that if both Indices have the same Index Performance, the Calculation Agent shall have the sole and absolute discretion to determine which Index shall be the Worse Performing Index in respect of such date.

SCHEDULE 2

Index Disclaimers

FTSE 100 INDEX®

The Securities are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or by the London Stock Exchange Plc (the "Exchange") or by The Financial Times Limited ("FT") (together the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE 100 Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

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S&P 500® INDEX (PRICE INDEX)

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NEITHER S&P DOW JONES INDICES NOR THIRD PARTY LICENSOR GUARANTEES THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH

RESPECT THERETO. S&P DOW JONES INDICES AND THIRD PARTY LICENSOR SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES AND THIRD PARTY LICENSOR MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY THE ISSUER, OWNERS OF THE SECURITIES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES OR THIRD PARTY LICENSOR BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND THE ISSUER, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

ANNEX 1
GENERAL CONDITIONS

Contents of Annex 1 (*General Conditions*)

- A. INTRODUCTION**
- B. FORM, DENOMINATION, TITLE, TRANSFER AND GUARANTEE OF THE SECURITIES**
 - 1. Form, Denomination and Title
 - 2. Transfers
 - 3. Guarantee and Status of the Securities
- C. PROVISIONS APPLICABLE TO NOTES ONLY**
 - 4. Interest and other Calculations under the Notes
 - 5. Redemption of Notes
 - 6. Payments
 - 7. Replacement of Notes
- D. PROVISIONS APPLICABLE TO CERTIFICATES ONLY**
 - 8. Certificate Coupon
 - 9. Redemption Rights in respect of Certificates
 - 10. Exercise Rights in respect of Certificates
- E. PROVISIONS APPLICABLE TO WARRANTS ONLY**
 - 11. Exercise of Warrants
- F. PROVISIONS APPLICABLE TO NOTES, WARRANTS AND CERTIFICATES**
 - 12. Business Day
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 - 14. Physical Settlement
 - 15. Events of Default
 - 16. Early Redemption or Termination for Illegality
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 - 18. Agents
 - 19. Calculation Agent, Determination, Disclaimer of Liability and other terms
 - 20. European Monetary Union
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 - 22. Meeting of Holders and Modifications
 - 23. Purchase and Cancellation
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 - 25. Notices
 - 26. Substitution
 - 27. Prescription
 - 28. Governing Law and Jurisdiction
 - 29. Contracts (Rights of Third Parties) Act 1999
 - 30. Definitions and Interpretation

The following is the text of the terms and conditions of the Securities (these "General Conditions"), subject to completion and amendment in accordance with the provisions of the relevant Pricing Supplement (as defined below). In the case of Registered Securities in definitive form, either (i) the full text of these General Conditions together with the relevant provisions of the relevant Pricing Supplement, or (ii) these General Conditions as so completed and amended (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on the registered certificates relating to any such Registered Securities (if applicable).

All capitalised terms that are not defined in these General Conditions will have the meanings given to them in the relevant Pricing Supplement. References in these General Conditions to "Notes" or "Warrants" or "Certificates" are to the Notes, Warrants or Certificates of one Series only, not to all Securities that may be issued under the Programme.

The Specific Product Provisions contained in Annex 2 in respect of Index Linked Securities, will, if specified to be applicable in the relevant Pricing Supplement, complete and amend these General Conditions.

A. INTRODUCTION

J.P. Morgan Structured Products B.V. ("**JPMSP**"), J.P. Morgan Bank Dublin plc ("**JPMBD**"), J.P. Morgan Indies SRL ("**JPMI**"), JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. (each an "**Issuer**" and together, the "**Issuers**") have established a structured products programme (the "**Programme**") for the issuance of notes ("**Notes**"), warrants ("**Warrants**") and certificates ("**Certificates**", and together with Notes and Warrants, "**Securities**"). The Securities are issued pursuant to an agency agreement (as amended and/or supplemented and/or restated as at the Issue Date, the "**Agency Agreement**") dated 3 May 2013 between J.P. Morgan Structured Products, B.V., J.P. Morgan Bank Dublin plc, J.P. Morgan Indies SRL, JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co., the Relevant Programme Agents and the other agents named therein.

JPMorgan Chase Bank, N.A. has guaranteed the due and punctual settlement of all obligations of JPMSP in respect of the Securities issued by JPMSP in a guarantee dated 3 May 2013 (as amended and/or supplemented and/or restated as at the Issue Date, the "**JPMorgan Chase Bank, N.A. Guarantee**").

JPMorgan Chase & Co. has guaranteed the due and punctual settlement of all obligations of each of JPMBD and JPMI in respect of the Securities issued by each of JPMBD and JPMI in a guarantee dated 3 May 2013 (as amended and/or supplemented and/or restated as at the Issue Date, the "**JPMorgan Chase & Co. Guarantee**").

JPMorgan Chase Bank, N.A. in its capacity as guarantor of Securities issued by JPMSP, and JPMorgan Chase & Co. in its capacity as guarantor of Securities issued by JPMBD and JPMI are together referred to as the "**Guarantors**" and each is a "**Guarantor**".

The Securities, to the extent they are governed by English law, have the benefit of a deed of covenant dated 3 May 2013 (as amended and/or supplemented and/or restated as at the Issue Date, the "**Deed of Covenant**") given by the Issuers in relation to Securities cleared through Euroclear Bank SA/NV, Clearstream Banking, *société anonyme*, Clearstream Banking AG, Frankfurt, Euroclear Sweden AB, Euroclear Finland Oy, the Finnish Central Securities Depository, the Norwegian Central Securities Depository, VP Securities A/S or SIX SIS AG, as the case may be.

Copies of the Agency Agreement, the Deed of Covenant, the JPMorgan Chase Bank, N.A. Guarantee, the JPMorgan Chase & Co. Guarantee, the forms of Global Securities and the Securities in definitive form (if applicable) are available for inspection at the specified office of the Relevant Programme Agent.

The provisions contained in Annex 2 in respect of Index Linked Securities (the "**Index Linked Provisions**") will complete and amend these General Conditions in respect of the Notes. Other Securities may be issued under the Programme in respect of which provisions relating to Share Linked Securities (the "**Share Linked Provisions**"), Commodity Linked Securities (the "**Commodity Linked Provisions**"), FX Linked Securities (the "**FX Linked Provisions**"), Market Access Participation Notes (the "**Market Access Participation Provisions**") and Low Exercise Price Warrants (the "**LEPW Provisions**" and, together with the Share Linked Provisions, the Index Linked Provisions, the Commodity Linked Provisions, the FX Linked Provisions and the Market Access Participation Provisions, the "**Specific Product Provisions**") will, if specified to be applicable in the relevant Pricing Supplement, complete and amend these General Conditions.

These General Conditions, as completed and/or amended by any applicable Specific Product Provisions, in each case subject to completion and/or amendment in the relevant Pricing Supplement, shall be the conditions of the Securities (the "**Conditions**"). To the extent that there is any inconsistency between the Specific Product Provisions and these General Conditions, the Specific Product Provisions shall prevail. To the extent that there is any inconsistency between the relevant Pricing Supplement and the Specific Product Provisions and/or these General Conditions, the relevant Pricing Supplement shall prevail.

Securities issued under the Programme are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Securities. One or more Tranches of Securities will be the subject of a pricing supplement (each, a "**Pricing Supplement**"), a copy of which may be obtained by Holders free of charge from the specified office of the Relevant Programme Agent.

Capitalised terms used in these General Conditions have the meanings given in General Condition 30 (*Definitions and Interpretation*).

B. FORM, DENOMINATION, TITLE, TRANSFER AND GUARANTEE OF THE SECURITIES

1. Form, Denomination and Title

1.1 Form and Denomination

a) *Bearer Securities*

- (i) *Bearer Securities other than French Bearer Securities:* Bearer Securities (other than French Bearer Securities) are initially represented by a temporary global security (the "**Temporary Bearer Global Security**").

Bearer Notes may be issued in New Global Note ("**NGN**") form. Bearer Notes represented by Temporary Global Securities or Permanent Global Securities will be delivered to a common safekeeper (the "**Common Safekeeper**") for Euroclear and/or Clearstream, Luxembourg, if in NGN form.

Bearer Securities will only be issued in global form and will not be issued in or exchangeable into Bearer Securities in definitive form, whether pursuant to the request of any Holder(s) or otherwise. Bearer Securities will not have any coupons, talons or receipts.

- (ii) *French Bearer Securities:* Securities which are issued by JPMSP or JPMBD in bearer dematerialised form (*au porteur*) and inscribed in the books of Euroclear France (acting as central depository) which shall credit the accounts of Euroclear France Account Holders are "**French Bearer Securities**".

b) *Registered Securities*

- (i) *Registered Securities other than French Registered Securities, Danish Notes, Finnish Securities, Norwegian Securities, Swedish Securities and Swiss Securities:* Registered Securities (other than French Registered Securities, Danish Notes, Finnish Securities, Norwegian Securities, Swedish Securities and Swiss Securities) are (in the case of Registered Notes) in the Specified Denomination(s) and (if the Registered Securities are in definitive form) represented by registered certificates and, in respect of Notes, save as provided in General Condition 5.3 (*Exercise of Options or Partial Redemption in Respect of Registered Notes in definitive form*), each registered certificate shall represent the entire holding of Registered Securities by the same Holder. Registered Securities (other than French Registered Securities, Danish Notes, Finnish Securities, Norwegian Securities, Swedish Securities and Swiss Securities) are initially represented by a temporary global security (the "**Temporary Registered Global Security**").

- (ii) *French Registered Securities:* Securities which are issued by JPMSP or JPMBD in registered dematerialised form (*au nominatif*) and, at the option of the relevant Holder in either administered registered form (*au nominatif administré*) inscribed in the books of a Euroclear France Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Pricing Supplement) acting on behalf of the Issuer (the "**French Registration Agent**") are "**French Registered Securities**", and together with French Bearer Securities, are "**French Securities**". French Securities shall not be issued in or exchangeable into Securities in definitive form.

- (iii) *Danish Notes:* Notes which are issued in uncertificated and dematerialised book-entry form in accordance with the Danish Securities Trading Act (Consolidated Act No 219 of 20 February 2013, as subsequently amended) including executive order no. 369 of 14 May 2009 on registration (book-entry) of dematerialised securities in a centralised securities depository, as subsequently amended, are "**Danish Notes**". Danish Notes shall be regarded as Registered Securities for the purposes of these General Conditions save to the extent the General Conditions are inconsistent with the VP Rules. Danish Notes shall not be issued in or exchangeable into Notes in definitive form.

- (iv) *Finnish Securities:* Securities which are issued in uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations (in Finnish: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (749/2012)) and the Finnish Act on Book Entry Accounts (*laki arvo-osuustileistä* (827/1991)), with Euroclear Finland which is designated as the registrar in respect of the Finnish Securities (the "**Finnish Registrar**") are "**Finnish Securities**". Finnish Securities shall be regarded as Registered Securities for the purposes of these General Conditions save to the extent not otherwise provided herein or to the

extent that the General Conditions are inconsistent with Euroclear Finland Rules. Finnish Securities shall not be issued in or exchangeable into Securities in definitive form.

- (v) *Norwegian Securities*: Securities which are issued in uncertificated and dematerialised book-entry form in accordance with the Norwegian Securities Register Act (*lov om registrering av finansielle instrumenter av 2002 5. juli nr. 64*) are "**Norwegian Securities**". Norwegian Securities shall be regarded as Registered Securities for the purposes of these General Conditions save to the extent the General Conditions are inconsistent with the VPS Rules. Norwegian Securities shall not be issued in or exchangeable into Securities in definitive form.
- (vi) *Swedish Securities*: Securities which are issued in uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*) are "**Swedish Securities**". Swedish Securities shall be regarded as Registered Securities for the purposes of these General Conditions save to the extent the General Conditions are inconsistent with the Swedish CSD Rules. Swedish Securities shall not be issued in or exchangeable into Securities in definitive form.
- (vii) *Swiss Securities*: Securities which are cleared through SIS and are either (a) issued in the form of uncertificated Securities and entered into the main register (*Hauptregister*) of SIS or (b) initially represented by a Global Security in registered form (a "**Swiss Global Security**") that is deposited with SIS acting as central depository are "**Swiss Securities**". As a matter of Swiss law, once (a) Swiss Securities which are issued in the form of uncertificated securities are entered into the main register (*Hauptregister*) of SIS or (b) a Swiss Global Security is deposited with SIS and, in either case, entered into the securities accounts of one or more participants of SIS, such Swiss Securities will constitute intermediated securities (*Bucheffekten*) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) ("**Intermediated Securities**").
- (viii) *Rule 144A Securities*: Securities which may be sold to certain qualified institutional buyers in the United States in reliance on Rule 144A under the Securities Act are "**Rule 144A Securities**". The Registered Global Security in respect of each Series of Rule 144A Securities will be deposited on or about the Issue Date with the DTC Custodian on behalf of DTC. Rule 144A Securities will only be issued in registered form, without interest coupons attached, and will not be issued in bearer form. In addition, Rule 144A Securities may be cleared through another Relevant Clearing System in addition to, or in place of, DTC. In such event the Global Security may be deposited with such Relevant Clearing System or a depository therefor. Upon registration of Rule 144A Securities in the name of any nominee for DTC and delivery of the relative Global Security to the DTC Custodian, DTC will credit each clearing system participant with, (a) in respect of Rule 144A Securities (other than Rule 144A Notes), a number of Rule 144A Securities equal to the number thereof for which it has subscribed and paid and (b) in respect of Rule 144A Notes, the aggregate principal amount of Rule 144A Notes for which it has subscribed and paid. Rule 144A Securities that are initially deposited with DTC or any other Relevant Clearing System may similarly be credited to the accounts of subscribers with other Relevant Clearing Systems.
- (ix) *Regulation S/Rule 144A Warrants*: Warrants which may be sold concurrently outside the United States to certain non-U.S. Persons and to certain qualified institutional buyers in the United States in reliance on Rule 144A under the Securities Act, are "**Regulation S/Rule 144A Warrants**". Regulation S/Rule 144A Warrants will be issued by JPMSP, represented by a Regulation S/Rule 144A Global Warrant (the "**Regulation S/Rule 144A Global Warrant**"), and deposited on or about the Issue Date with a depository common to Euroclear and Clearstream, Luxembourg. Regulation S/Rule 144A Warrants will only be issued in registered form, without interest coupons attached.

c) **Exchange of Securities**

- (i) *Exchange of Rule 144A Securities*: Rule 144A Securities represented by a Global Security will not be exchanged for Securities in definitive form except:
 - (A) in the case of a Global Security held on behalf of DTC, if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with

respect to such Global Security, or ceases to be a "**clearing agency**" registered under the Exchange Act, or if at any time it is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC;

- (B) in the case of a Global Security held by a Relevant Clearing System other than DTC, if the Relevant Clearing System is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;
- (C) following the occurrence of an Event of Default as provided in these General Conditions; or
- (D) if the Issuer so decides,

provided that, in the case of the first transfer of part of a holding pursuant to (A), (B) and (C) above, the registered Holder has given the Registrar not less than 30 days' notice at its specified office of the registered Holder's intention to effect such transfer and, in the case of a transfer pursuant to (C) above, each person having an interest in the Rule 144A Securities represented by such Global Security has provided the Registrar with a fully completed, signed certification substantially to the effect that such person is not transferring its interest at the time of such exchange. Upon the occurrence of any of the events specified in (A) to (D) (inclusive) above and satisfaction of any applicable condition in the proviso to the preceding sentence, the Holder of a Global Security may, on or after any due date for exchange, surrender such Global Security or, in the case of a partial exchange, present it for endorsement to or to the order of the Relevant Programme Agent. In exchange for any Global Security, or the part thereof to be exchanged, the relevant Issuer will in the case of a Global Security exchangeable for Securities in definitive form, deliver, or procure the delivery of, an equal aggregate number of duly executed and authenticated Securities in definitive form. Where the holding of Rule 144A Securities represented by a Global Security is only transferable in its entirety, only a Global Security shall be issued to the transferee upon transfer of such holding. Where transfers are permitted in part, a Global Security shall only be issued to transferees if the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for DTC and/or a Relevant Clearing System.

Each new Rule 144A Security in definitive form to be issued pursuant to this General Condition 1.1c(i) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Put Option Exercise Notice (in respect of a partial exercise of the Securities represented by the original Rule 144A Security in definitive form) and surrender of the relevant Rule 144A Security in definitive form for exchange. Delivery of the new Securities in definitive form shall be made at the specified office of the Relevant Programme Agent to whom delivery or surrender of such request for exchange, form of transfer, or Put Option Exercise Notice for the Rule 144A Security in definitive form shall have been made. At the option of the Holder making such delivery or surrender as aforesaid and if it is so specified in the relevant request for exchange, form of transfer, Put Option Exercise Notice or otherwise in writing, the new Rule 144A Security in definitive form shall be mailed by uninsured post at the risk of the Holder entitled to the new Rule 144A Security in definitive form to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Relevant Programme Agent the costs of such other method of delivery and/or such insurance as it may specify. In this General Condition 1.1, "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Relevant Programme Agent.

(ii) *Exchange of Bearer Securities other than French Bearer Securities and German Securities:*

(A) Temporary Bearer Global Securities

Each Temporary Bearer Global Security will be exchangeable free of charge to the Holder on or after its Exchange Date and upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement:

- (1) in whole or in part for interests in a Permanent Bearer Global Security ("**Permanent Bearer Global Security**")"; or
- (2) in whole but not in part for Registered Securities in definitive form, if, prior to its exchange for interests in a Permanent Bearer Global Security in accordance with (1) above, (x) the Temporary Bearer Global Security is held on behalf of a Relevant Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), or has announced an intention permanently to cease business or in fact closes, or (y) if any Instalment Amount, Early Payment Amount, Final Redemption Amount, Redemption Amount or Settlement Amount, as applicable, in respect of any Security represented by such Temporary Global Security is not paid when due by the Holder giving notice to the Principal Programme Agent and the Registrar of its election for such exchange, provided that, in the case of (x) above, the Issuer may instead procure that the Temporary Bearer Global Security is deposited with a successor or alternative clearing system where it is of the reasonable opinion that such transfer will not be prejudicial to the Holders.

(B) Permanent Bearer Global Securities

Each Permanent Bearer Global Security will be exchangeable, free of charge to the Holder, on or after its Exchange Date in whole but not in part for Registered Securities in definitive form:

- (1) by the relevant Issuer giving notice to the Holders, the Principal Programme Agent and the Registrar of its intention to effect such exchange; or
- (2) otherwise (x) if the Permanent Bearer Global Security is held on behalf of a Relevant Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), or has announced an intention permanently to cease business or in fact closes or (y) if any Instalment Amount, Early Payment Amount, Final Redemption Amount, Redemption Amount or Settlement Amount, as applicable, in respect of any Security represented by such Permanent Bearer Global Security is not paid when due by the Holder giving notice to the Principal Programme Agent and the Registrar of its election for such exchange.

(iii) *Exchange of German Securities:*

Each Temporary Bearer Global Security will be exchangeable, on or after its Exchange Date, in whole or in part upon certification as to non-U.S. beneficial ownership for interests in a Permanent Bearer Global Security ("**Permanent Bearer Global Security**").

Each Temporary Bearer Global Security and Permanent Bearer Global Security will be kept in custody by the Relevant Clearing System until all obligations of the Issuer under the German Securities have been satisfied.

In relation to any German Securities in respect of which the relevant Pricing Supplement specifies "Clearstream Frankfurt" to be the Relevant Clearing System, the principal amount (in the case of Notes) or number (in the case of Warrants and Certificates) of German Securities represented by the Temporary Bearer Global Security or Permanent Bearer Global Security (as the context may require) is evidenced by a register maintained for that purpose by Clearstream Frankfurt as agent for the Issuer, showing the aggregate principal amount (in the case of Notes) or aggregate number (in the case of Warrants and Certificates) of German Securities represented by the Temporary Bearer Global Security or the Permanent Bearer Global Security (as the context may require).

(iv) *Exchange of Registered Securities (other than French Registered Securities, Danish Notes, Finnish Securities, Norwegian Securities, Swedish Securities, Swiss Securities and Rule 144A Securities):*

(A) Temporary Registered Global Securities

Each Temporary Registered Global Security will be exchangeable, free of charge to the Holder, on or after its Exchange Date, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Registered Global Security or for Registered Securities in definitive form, as the case may be.

(B) Permanent Registered Global Securities

Each Permanent Registered Global Security will be exchangeable, free of charge to the Holder, on or after its Exchange Date in whole but not in part for Registered Securities in definitive form:

- (1) by the relevant Issuer giving notice to the Holders and the Registrar of its intention to effect such exchange; or
- (2) otherwise (x) if the Permanent Registered Global Security is held on behalf of Euroclear or Clearstream, Luxembourg or any other Relevant Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), or has announced an intention permanently to cease business or in fact closes or (y) if any Instalment Amount, Early Payment Amount, Final Redemption Amount, Redemption Amount or Settlement Amount, as applicable, in respect of any Security represented by such Registered Global Security is not paid when due by the holder giving notice to the Registrar of its election for such exchange.

(v) *Exchange of Swiss Securities:* Unless otherwise specified in the relevant Pricing Supplement, Swiss Securities issued in uncertificated form or represented by a Swiss Global Security will in either case be exchangeable for Registered Securities in definitive form only in the limited circumstances described in the paragraph immediately below. No Holder of Swiss Securities will at any time have the right to effect or demand the conversion of such Swiss Securities into, or the delivery of, uncertificated Securities (in the case of Swiss Securities represented by a Swiss Global Security) or Securities in definitive form (in the case of either Swiss Securities represented by a Swiss Global Security or Swiss Securities issued in uncertificated form).

Swiss Securities will only be exchangeable for Registered Securities in definitive form (i) if the Swiss Programme Agent determines that SIS has become permanently unable to perform its functions in relation to the relevant Swiss Securities as a result of its insolvency, *force majeure* or for regulatory reasons, and no substitute clearing system has assumed the functions of SIS (including the function as depository of the Swiss Global Security) within 90 calendar days thereafter, or (ii) at the option of the Swiss Programme Agent if the Swiss Programme Agent determines that printing Registered Securities in definitive form is necessary or useful or required by Swiss or applicable foreign laws or regulations in connection with the enforcement of rights.

Provided such printing is permitted by these General Conditions, the Issuer has irrevocably authorised the Swiss Programme Agent to arrange for the printing of Registered Securities in definitive form, in whole or in part, in the form agreed in the Agency Agreement or, in case of Swiss Securities listed on the SIX Swiss Exchange AG (the "**SIX Swiss Exchange**"), as then required by the rules and regulations of the SIX Swiss Exchange.

If Registered Securities in definitive form are printed, the Swiss Programme Agent will (i) in the case of Swiss Securities represented by a Swiss Global Security, cancel the Swiss Global Security deposited with SIS and, in the case of printing only a portion of a Tranche of Swiss Securities, exchange such Swiss Global Security for a Swiss Global Security representing the Swiss Securities of such Tranche that are not printed or (ii) in the case of Swiss Securities issued as uncertificated securities, deregister such Swiss Securities from the uncertificated securities

book (*Wertrechtbuch*) and, in each case, deliver the Registered Securities in definitive form to the relevant Holders. If Registered Securities in definitive form are issued, the Swiss Programme Agent will maintain a register of the Holders for which Registered Securities in definitive form have been issued (the "**Swiss Register**") in accordance with U.S. Treasury Regulation 5F.103-1(c)(1). In the case of Swiss Securities represented by a Swiss Global Security, prior to and as a condition to depositing such Swiss Global Security with a Relevant Clearing System (or issuing it to any person) other than SIS, the Issuer shall obtain an opinion of United States tax counsel competent in such matters to the effect that, having regard to the applicable governing local law (for which purpose tax counsel may rely on an opinion of competent local counsel), the related Swiss Securities will be described in section 871(h)(2)(B) or 881(c)(2)(B) of the Code. In addition, if any Swiss Global Security is deposited with a Relevant Clearing System other than SIS, such Relevant Clearing System must be an intermediary (*Verwahrungstelle*) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*) in Switzerland that, in the case of Swiss Securities listed on the SIX Swiss Exchange, is recognised for such purposes by the SIX Swiss Exchange.

- (vi) *Registered Securities in definitive form*: Subject as otherwise provided in this General Condition 1.1(c), Registered Securities in definitive form may be exchanged or transferred in whole or in part for one or more Registered Securities in definitive form in respect of the same number of Securities. Registered Securities in definitive form will be substantially in the form set out in the Agency Agreement.

1.2 Title

- a) ***Title to Registered Securities (other than Danish Notes, Finnish Securities, Norwegian Securities, Swedish Securities, French Registered Securities and Swiss Securities)***

Subject as provided below, title to the Registered Securities shall pass by registration in the register (the "**Register**"). The Registrar will maintain the Register in accordance with the provisions of the Agency Agreement. In the case of Registered Securities in definitive form, "**Holder**" means, unless otherwise specified, the person in whose name a Registered Security is registered (as the case may be) or relating to it.

- b) ***Title to Securities (other than German Securities and Intermediated Securities) represented by a Global Security***

For so long as any of the Notes (other than Notes which are German Securities) are represented by a Global Note, or Warrants or Certificates (other than Warrants or Certificates which are German Securities) are represented by a Global Warrant or Global Certificate, as applicable (for the purposes of this paragraph each a "**Global Security**" and together the "**Global Securities**") held on behalf of Euroclear, Clearstream, Luxembourg or DTC, each person (other than Euroclear, Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the Holder of a principal amount or number of such Securities (in which regard any certificate or document issued by Euroclear, Clearstream, Luxembourg or DTC as to the principal amount or number of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the relevant Issuer and the Agents as the Holder of such principal amount or number of such Securities for all purposes other than with respect to the payment of principal or interest (if any) on such principal amount of Securities or the coupon amount, redemption amount or settlement amount of Securities, for which purpose the common depository or, as the case may be, its nominee in respect of the relevant Registered Security shall be treated by the relevant Issuer and any Agent as the Holder of such principal amount or number of such Securities in accordance with and subject to the terms of the Global Security.

- c) ***Title to Danish Notes***

Title to Danish Notes shall pass by registration in the VP in accordance with the VP Rules. In respect of Danish Notes, "**Holder**" means the person in whose name the Danish Notes are registered in the VP and shall include any person duly authorised to act as a nominee for the Notes.

d) ***Title to Finnish Securities***

Title to Finnish Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Finnish Registrar in accordance with the provisions of the Agency Agreement and Euroclear Finland Rules (the "**Finnish Register**"). Title to Finnish Securities shall pass by transfer from a Holder's book-entry securities account to another book-entry securities account within the Finnish Register (except where the Finnish Securities are nominee-registered and are transferred from one sub-account to another with the same nominee). In respect of Finnish Securities, "**Holder**" means the person on whose book-entry securities account the Finnish Securities are held including a nominee account holder, as the case may be.

Each of the Issuer and the Finnish Programme Agent shall be entitled to obtain information on the Holders from the Finnish Register in accordance with the Euroclear Finland Rules.

e) ***Title to Norwegian Securities***

Title to Norwegian Securities shall pass by registration in the register that the Issuer shall procure to be kept with the Norwegian Registrar in accordance with the provisions of the Agency Agreement and the VPS Rules (the "**VPS Register**"). The Issuer shall be entitled to obtain information from VPS in accordance with the VPS Rules. In respect of Norwegian Securities, "**Holder**" means the person in whose name a Security is registered and shall include any person duly authorised to act as nominee (*forvalter*) and registered for the Securities.

By purchasing Norwegian Notes, each Holder is deemed to consent that the VPS may provide the Norwegian Programme Agent and/or the Issuer, upon request, information registered with the VPS relating to the Securities and the Holders. Such information shall include, but not be limited to, the identity of the registered Holder of the Securities, the residency of the registered Holder of the Securities, the number of Securities registered with the relevant Holder, the address of the relevant Holder, the account operator in respect of the relevant VPS account (Kontofører utsteder) and whether or not the Securities are registered in the name of a nominee and the identity of any such nominee. The Norwegian Programme Agent and/or the Issuer will only make use of and store such information to the extent this is required or deemed appropriate to fulfil their obligations in relation to the Securities.

f) ***Title to Swedish Securities***

Title to Swedish Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Swedish Registrar in accordance with the provisions of the Agency Agreement and the Swedish CSD Rules (the "**Swedish Register**"). In respect of Swedish Securities, "**Holder**" means the person in whose name a Security is registered and shall include any person duly authorised to act as a nominee (*förvaltare*) and registered for the Securities.

The Issuer shall be entitled to obtain information from the Swedish Register in accordance with the Swedish CSD Rules.

g) ***Title to French Securities***

Title to French Securities will be evidenced in accordance with Articles L. 211-3 and R. 211-1 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of French Securities.

Title to French Bearer Securities and French Registered Securities in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such French Securities may only be effected through, registration of the transfer in the accounts of the Euroclear France Account Holders. Title to French Registered Securities in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such French Registered Securities may only be effected through, registration of the transfer in the accounts of the Issuer or the French Registration Agent.

In respect of French Securities, "**Holder**" means the person whose name appears in the account of the relevant Euroclear France Account Holder or the Issuer or the French Registration Agent (as the case may be) as being entitled to such French Securities.

h) ***Title to German Securities; Book-Entry Registrar***

In respect of German Securities, "**Holder**" means any holder of a proportionate co-ownership interest or right in the Global Security.

German Securities shall be transferable in accordance with applicable law and the terms and regulations of the Relevant Clearing System.

In relation to any German Securities in respect of which the relevant Pricing Supplement specifies "Clearstream Frankfurt" to be the Relevant Clearing System, the Issuer has entered into a book-entry registration agreement with Clearstream Frankfurt and appointed Clearstream Frankfurt as its book-entry registrar (the "**Book-Entry Registrar**"). The Book-Entry Registrar has agreed to maintain (i) a register (the "**Book-Entry Register**") showing the interests of Clearstream Frankfurt accountholders in the Temporary Bearer Global Security or the Permanent Bearer Global Security, as the case may be and (ii) as agent of the Issuer, the additional register in accordance with General Condition 1.1c)(iii) (*Exchange of German Securities*) and the sub-paragraph below.

With respect to any redemption of, or payment of an instalment on, or purchase and cancellation of, any of the German Securities represented by a Temporary Bearer Global Security or a Permanent Bearer Global Security the Issuer shall procure that details of any redemption, payment or purchase and cancellation (as the case may be) in respect of such Temporary Bearer Global Security or such Permanent Bearer Global Security shall be entered accordingly in the Book-Entry Register by the Book-Entry Registrar and, upon any such entry being made, the principal amount (in the case of Notes) or number (in the case of Warrants and Certificates) of German Securities represented by such Temporary Bearer Global Security or such Permanent Bearer Global Security shall be reduced by the aggregate principal amount (in the case of Notes) or aggregate number (in the case of Warrants and Certificates) of German Securities so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid, and appropriate entries shall be made in the Book-Entry Register.

i) ***Title to Swiss Securities***

In the case of Intermediated Securities, (i) the legal holders of such Swiss Securities are each person holding any such Securities in a securities account (*Effektenkonto*) that is in such person's name or, in the case of intermediaries (*Verwahrungsstellen*), each intermediary (*Verwahrungsstelle*) holding any such Securities for its own account in a securities account (*Effektenkonto*) that is in such intermediary's name (and the expression "Holder" as used herein shall be construed accordingly), and (ii) such Securities may only be transferred by the entry of the transferred Securities in a securities account of the transferee.

Notwithstanding the above, the relevant Issuer shall make all payments due to the Holders under the Swiss Securities to the Swiss Programme Agent and, upon receipt by such Swiss Programme Agent of the due and punctual payment of such funds in Switzerland, shall be discharged from its obligations to the Holders under the Swiss Securities to the extent of the funds received by such Swiss Programme Agent as of such date.

In respect of any Swiss Securities in definitive form, title to the Swiss Securities shall pass by registration in the Swiss Register.

j) ***Title to Rule 144A Securities***

Beneficial interests in the Global Securities for any Series of Rule 144A Securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its respective participants (including, in the case of Rule 144A Securities admitted to trading on the Luxembourg Stock Exchange, Euroclear and Clearstream, Luxembourg) or such other Relevant Clearing System or its nominee as may be the registered holder thereof. Rule 144A Securities which are represented by a Global Security will only be transferable in accordance with the rules and procedures of DTC or other Relevant Clearing System, as the case may be. Unless and until it is exchanged for Securities in definitive form in the circumstances described above, a Global Security may not be transferred except as a whole by and among DTC or other Relevant Clearing System, as the case may be, its nominees and any successor of DTC or other Relevant Clearing System, as the case may be, or those nominees.

Each of the persons shown in the records of DTC or any other Relevant Clearing System as the Holder of a Security represented by a Global Security must look solely to DTC or such Relevant Clearing System (as the case may be) for his share of each payment made by the relevant Issuer to the holder of the underlying securities and in relation to all other rights arising under the Global Securities, subject to and in accordance with the respective rules and procedures of DTC or such Relevant Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Securities for so long as the Securities are represented by such Global Security and such obligations of the relevant Issuer will be discharged by payment to the holder of the underlying securities in respect of each amount so paid. The relevant Issuer shall not be liable to any such persons or any other beneficial holder of an interest represented by a Global Security to the extent the relevant Issuer shall have made payment in respect of the Securities represented thereby to DTC or the Relevant Clearing System, as the case may be.

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Rule 144A Security in definitive form may be transferred in whole or in part by the Holder surrendering such Rule 144A Security in definitive form for registration of the transfer of the Rule 144A Security in definitive form (or the relevant part of the Rule 144A Security) at the specified office of the Relevant Programme Agent, with the form of transfer thereon duly executed by the Holder thereof or its attorney duly authorised in writing and upon the Relevant Programme Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the relevant Issuer and the Relevant Programme Agent may prescribe.

k) ***Title to Regulation S/Rule 144A Warrants***

For so long as the Warrants are represented by a Regulation S/Rule 144A Global Warrant held through Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of a Relevant Clearing System as the holder of a particular number of Warrants (in which regard any certificate or other document issued by such Relevant Clearing System as to the number of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Relevant Programme Agent as the holder of such number of Warrants for all purposes (and the expressions "Holder" and "holder of Warrants" and related expressions shall be construed accordingly).

l) ***Ownership***

Except as ordered by a court of competent jurisdiction, or as required by law, the Holder of any Securities shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it (or on the registered certificate) or its theft or loss (or that of the related registered certificate) and no person shall be liable for so treating the Holder.

2. **Transfers**

2.1 **Registered Securities held in a Relevant Clearing System**

a) ***Transfers of Registered Securities (other than Danish Notes, Finnish Securities, Norwegian Securities, Swedish Securities and Intermediated Securities)***

Transfers of Registered Securities (other than Danish Notes, Finnish Securities, Norwegian Securities, Swedish Securities and Intermediated Securities) which are held in a Relevant Clearing System may be effected only through the Relevant Clearing System(s) in which the Securities to be transferred are held.

b) ***Transfer of Danish Notes***

Transfers of Danish Notes are effected on entry in the VP of an account transfer from a Holder's book-entry securities account to another securities book-entry account within the VP (except where the Danish Notes are nominee-registered and are transferred from one account to another account with the same nominee) in accordance with the VP Rules.

c) **Transfer of Finnish Securities**

Transfers of Finnish Securities are effected upon entry in the Finnish Register of an account transfer from a Holder's book-entry securities account to another securities book-entry account (except where the Finnish Securities are nominee-registered and are transferred from one account to another account with the same nominee) in accordance with Euroclear Finland Rules.

d) ***Transfer of Norwegian Securities***

Transfers of Norwegian Securities are effected upon entry into the VPS Register of an account transfer from a Holder's book-entry securities account to another securities book-entry account within the VPS (except where the Norwegian Securities are nominee-registered and are transferred from one account to another account with the same nominee) in accordance with the VPS Rules.

e) ***Transfer of Swedish Securities***

Transfers of Swedish Securities are effected upon entry in the Swedish Register of an account transfer from a Holder's book-entry securities account to another securities book-entry account (except where the Swedish Securities are nominee-registered and are transferred from one account to another account with the same nominee) in accordance with the Swedish CSD Rules.

f) ***Transfers of Intermediated Securities***

Transfers of Intermediated Securities may only be effected by the entry of the transferred Intermediated Securities in the securities account of the transferee.

g) ***Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities***

No Holder may require the transfer of a Registered Securities to be registered:

- (i) in respect of Danish Notes, Norwegian Securities and Swedish Securities during a closed period pursuant to the VP Rules, the VPS Rules or Swedish CSD Rules (as applicable); or
- (ii) in respect of Finnish Securities, during a period not permitted by the then applicable Euroclear Finland Rules or when the relevant Finnish Securities are held in a blocked book-entry securities account pursuant to General Condition 5.2 (*Redemption at the Option of Holders*) or General Condition 9.2 (*Redemption at the Option of Holders*).

2.2 **Registered Securities in definitive form**

a) ***Transfer of Registered Securities in definitive form***

Transfers of Registered Securities in definitive form are effected upon (i) the surrender (at the specified office of the Registrar or any Transfer Agent) or the transfer of the registered certificate representing such Registered Securities in definitive form, together with the form of transfer (which shall be available at the specified office of the Registrar or Transfer Agent) endorsed on such registered certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require, (ii) the recording of such transfer in the Register and (iii) issuance of a new registered certificate to the transferee.

b) ***Part Transfer of Registered Securities in definitive form***

In the case of a transfer of part only of a holding of Registered Securities in definitive form represented by one registered certificate, a new registered certificate shall be issued to the transferee in respect of the part transferred and a further new registered certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

c) ***Delivery of New Registered Securities in definitive form***

Each new registered certificate to be issued pursuant to this General Condition 2 (*Transfers*) shall be available for delivery within three business days of receipt of the form of transfer or Put Option Exercise Notice and surrender of the registered certificate for exchange. Delivery of the new registered certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Put Option Exercise Notice or registered certificate shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Put Option Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new registered certificate (as applicable) to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Relevant Programme Agent the costs of such other method of delivery and/or such insurance as it may specify.

d) ***Closed Periods in respect of Registered Notes in definitive form***

No Holder may require the transfer of a Registered Note in definitive form to be registered:

- (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note;
- (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to General Condition 5.1 (*Redemption at the Option of the Issuer*);
- (iii) after any such Note has been called for redemption; or
- (iv) during the period of seven days ending on (and including) any Record Date.

e) ***Exchange Free of Charge***

Exchange and transfer of Securities on registration, transfer, partial redemption, settlement or exercise of an option (as applicable) shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

2.3 **Compulsory Transfer or Redemption**

a) ***U.S. Persons***

- (i) *Securities other than Rule 144A Securities and Regulation S/Rule 144A Warrants*: Securities (other than Rule 144A Securities and Regulation S/Rule 144A Warrants being offered or sold in accordance with Rule 144A) may not be legally or beneficially owned by any U.S. Person at any time nor offered, sold, delivered, pledged, assigned or otherwise transferred or exercised or redeemed at any time within the United States or to, or for the account or benefit of, any U.S. Person. If the Issuer determines at any time that any Security (other than a Rule 144A Security or a Regulation S/Rule 144A Warrant being offered or sold in accordance with Rule 144A) is legally or beneficially owned by any U.S. Person, the Issuer may direct the Holder to sell or transfer such Security to a person who is not a U.S. Person within 14 days following receipt of notice of the direction. If the Holder fails to sell or transfer such Security within such period, the Issuer may at its discretion (x) cause such Security to be sold to an acquirer selected by the Issuer that certifies to the Issuer that such acquirer is not a U.S. Person, on terms as the Issuer may choose, subject to the purchaser representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and, pending such transfer, no further payments will be made in respect of such Security or (y) give notice to the Holder that such Security will be redeemed by the Issuer at the Early Payment Amount on the date specified in such notice.

In the event of a sale in accordance with sub-clause (x) above, the Issuer may select an acquirer by any means determined by it in its sole discretion. The proceeds of the sale, net of any commissions, expenses and taxes due in connection with the sale shall be remitted to the selling Holder. The terms and conditions of any sale hereunder (including the sale price) shall be

determined in the sole discretion of the Issuer, subject to the purchaser representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and the Issuer shall not be liable to any person having an interest in the Security sold as a result of any sale or the exercise of such discretion.

- (ii) *Rule 144A Securities*: If the Issuer determines at any time that a transfer of any Rule 144A Security or any interest in a Rule 144A Security has been effected other than to a person who (A) is (i) a QIB, (ii) in relation to Securities issued by JPMSP or JPMBD, a QP, (iii) an ECP and (iv) in relation to Securities issued by JPMSP or JPMBD, either a Qualified Offshore Client or MUSIV and (B) (i) in the case of Rule 144A Securities which are Notes held in definitive form or Certificates or Warrants (in definitive or global form), has entered into and remains in compliance with the relevant Investor Letter of Representations and (ii) in the case of Rule 144A Notes represented by a Global Security, has remained in compliance with the representations such beneficial holders are deemed to have made (for the purpose of this General Condition 2.3a)(ii) (*Rule 144A Securities*) only, a "**Permitted Transferee**", the Issuer may direct the Holder to sell or transfer such Security to a person who is a Permitted Transferee within 14 days following receipt of notice of the direction. If the Holder fails to sell or transfer such Security within such period, the Issuer may at its discretion (x) cause such Security to be sold to an acquirer selected by the Issuer that certifies to the Issuer that such acquirer is a Permitted Transferee, on terms as the Issuer may choose, subject to the purchaser representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and, pending such transfer, no further payments will be made in respect of such Security or (y) give notice to the Holder that such Security will be redeemed by the Issuer at the Early Payment Amount on the date specified in such notice.

In the event of a sale in accordance with sub-clause (x) of the preceding paragraph, the Issuer may select an acquirer by any means determined by it in its sole discretion. The proceeds of the sale, net of any commissions, expenses and taxes due in connection with the sale shall be remitted to the selling Holder. The terms and conditions of any sale hereunder (including the sale price) shall be determined in the sole discretion of the Issuer, subject to the purchaser representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and the Issuer shall not be liable to any person having an interest in the Rule 144A Security sold as a result of any sale or the exercise of such discretion.

- (iii) *Regulation S/Rule 144A Warrants*: If the Issuer determines at any time that any transfer of a Regulation S/Rule 144A Warrant has been effected other than (A) to a person who (i) is not a U.S. Person in accordance with Regulation S in "offshore transactions" (as such term is defined in Rule 902(h) of Regulation S); (ii) has entered into and remains in compliance with the provisions of the relevant Investor Letter of Representations; and (iii) is a "qualified investor", as defined in the Prospectus Directive, or any other purchaser that is approved by the Dealer from time to time: or (B) to a person who is (i) a QIB, (ii) a QP, (iii) an ECP and (iv) either (a) a MUSIV or (b) a Qualified Offshore Client and (v) who has entered into and has remained in compliance with the relevant Investor Letter of Representations at the time of such transfer, (each person satisfying either sub-clause (A) or sub-clause (B), for the purpose of this General Condition 2.3a)(iii) (*Regulation S/Rule 144A Warrants*) only, a "**Permitted Transferee**", the Issuer may direct the Holder to sell or transfer its Regulation S/Rule 144A Warrant to a person who is a Permitted Transferee within 14 days following receipt of notice of the direction. If the Holder fails to sell or transfer such Regulation S/Rule 144A Warrant within such period, the Issuer may at its discretion (x) cause such Warrant to be sold to an acquirer selected by the Issuer that certifies to the Issuer that such acquirer is a Permitted Transferee, on terms as the Issuer may choose, subject to the purchaser representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and, pending such transfer, no further payments will be made in respect of such Regulation S/Rule 144A Warrant or (y) give notice to the Holder that such Regulation S/Rule 144A Warrant will be redeemed by the Issuer at the Early Payment Amount on the date specified in such notice.

In the event of a sale in accordance with sub-clause (x) of the preceding paragraph, the Issuer may select an acquirer by any means determined by it in its sole discretion. The proceeds of the sale, net of any commissions, expenses and taxes due in connection with the sale shall be remitted to the selling Holder. The terms and conditions of any sale hereunder (including the sale price) shall be determined in the sole discretion of the Issuer, subject to the purchaser

representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and the Issuer shall not be liable to any person having an interest in the Regulation S/Rule 144A Warrant sold as a result of any sale or the exercise of such discretion.

b) ***Indian Residents***

Securities in respect of which the Reference Asset is an equity security listed or proposed to be listed on an Indian stock exchange ("**Indian Participation Securities**") may not be legally or beneficially owned by (i) a person that is a resident of the Republic of India within the meaning of Indian exchange control laws (an "**Indian Resident**"); (ii) a person who is a "non-resident Indian" (as such term is defined in the Foreign Exchange Management (Deposit) Regulations, 2000 (a "**Non-Resident Indian**"); (iii) a person whose controller is an Indian Resident or Non-Resident Indian at any time; or (iv) a person who is not a "person regulated by an appropriate foreign regulatory authority" within the meaning of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, and notifications, circulars, rules and guidelines of the Securities and Exchange Board of India issued from time to time (collectively, the "**FII Regulations**") (an "**Unregulated Entity**"). The term "controller" means any person or group of persons (acting pursuant to any agreement or understanding (whether formal or informal, written or otherwise)) who: (a) is/are entitled to exercise, or control the exercise of a majority or more of the voting power of an entity; or (b) holds or is otherwise entitled to a majority or more of the economic interest in an entity; or (c) who in fact exercises control over an entity. The term "control" means the ability to appoint a majority or more of the directors of an entity, or the capacity to control decision-making, directly or indirectly, in relation to the financial, investment and/or operating policies of an entity in any manner. Notwithstanding the foregoing definition, in the case only where an entity's investments are being managed on a discretionary basis by an investment manager, such investment manager shall not be deemed to be such entity's controller for the purposes of this General Condition 2.3b) by reason only of it being able to control decision-making in relation to the entity's financial, investment and/or operating policies. If the Issuer determines at any time that any Holder of an Indian Participation Security is an Indian Resident, a Non-Resident Indian or an Unregulated Entity, the Issuer may direct the Holder to sell or transfer its Indian Participation Security to a person who is not an Indian Resident within 14 days following receipt of notice of the direction. If the Holder fails to sell or transfer its Indian Participation Security within such period, the Issuer may, at its discretion, (i) cause the Indian Participation Security to be sold to an acquirer selected by the Issuer that certifies to the Issuer that such acquirer is not an Indian Resident, on terms as the Issuer may choose, subject to the purchaser representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and, pending such transfer, no further payments will be made in respect of the Indian Participation Security or (ii) give notice to the Holder that the Indian Participation Security will be redeemed by the Issuer at the Early Payment Amount on the date specified in such notice.

In the event of a sale, pledge, assignment, novation, entering into a back-to-back offshore derivative instrument or into an agreement in respect of any of the foregoing in accordance with paragraph (i) above, the Issuer may select an acquirer by any means determined by it in its sole discretion. The proceeds of the sale, net of any commissions, expenses and taxes due in connection with the sale shall be remitted to the selling Holder. The terms and conditions of any sale hereunder (including the sale price) shall be determined in the sole discretion of the Issuer, subject to the purchaser representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and the Issuer shall not be liable to any person having an interest in the Indian Participation Security sold as a result of any sale or the exercise of such discretion.

Furthermore, the Issuer shall not honour a transfer of beneficial interests in any Indian Participation Security to any person who is an Indian Resident, a Non-Resident Indian or an Unregulated Entity.

c) ***ERISA Violations***

If the Issuer determines at any time that any Holder of a Security has made or been deemed to have made a representation related to the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") (as set forth in the section entitled "*Certain ERISA Considerations*" in the 2013 Base Prospectus), that is false or misleading (a "**Non-Permitted Holder**"), the Issuer may direct the Holder to sell or transfer its Security to a person who is not a Non-Permitted Holder within 14 days following receipt of notice of the direction. If the Holder fails to sell or transfer its Security within such period, the Issuer may at its discretion (i) cause the Security to be sold to an acquirer selected by the

Issuer that certifies to the Issuer that such acquirer is not a Non-Permitted Holder, on terms as the Issuer may choose, subject to the purchaser representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and, pending such transfer, no further payments will be made in respect of the Security or (ii) give notice to the Holder that the Security will be redeemed by the Issuer at the Early Payment Amount on the date specified in such notice.

In the event of a sale in accordance with paragraph (i) above, the Issuer may select an acquirer by any means determined by it in its sole discretion. The proceeds of the sale, net of any commissions, expenses and taxes due in connection with the sale shall be remitted to the selling Holder. The terms and conditions of any sale hereunder (including the sale price) shall be determined in the sole discretion of the Issuer, subject to the purchaser representations and requirements and transfer restrictions set out herein (and in the Agency Agreement), and the Issuer shall not be liable to any person having an interest in the Security sold as a result of any sale or the exercise of such discretion.

Furthermore, the Issuer shall not honour a transfer of beneficial interests in any Security to any person who is a Non-Permitted Holder.

3. **Guarantee and Status of the Securities**

3.1 **Guarantee**

a) ***JPMorgan Chase Bank, N.A. Guarantee***

In accordance with, and subject to the terms of, the JPMorgan Chase Bank, N.A. Guarantee, JPMorgan Chase Bank, N.A. has unconditionally and irrevocably guaranteed that, if for any reason JPMSP does not pay any sum payable by it or perform any other obligation in respect of any Security on the date such payment or performance is due in accordance with these Conditions (after any applicable delay or extinguishment due to any event or condition set out in these Conditions providing or allowing for delay or extinguishment in respect of the payment or performance of such obligation) JPMorgan Chase Bank, N.A. will, in accordance with the JPMorgan Chase Bank, N.A. Guarantee, pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligations on the due date for such performance.

b) ***JPMorgan Chase & Co. Guarantee***

In accordance with, and subject to the terms of, the JPMorgan Chase & Co. Guarantee, JPMorgan Chase & Co. has unconditionally and irrevocably guaranteed that, if for any reason JPMBD or JPMI, as the case may be, does not pay any sum payable by it or perform any other obligation in respect of any Security on the date such payment or performance is due in accordance with these Conditions (after any applicable delay or extinguishment due to any event or condition set out in these Conditions providing or allowing for delay or extinguishment in respect of the payment or performance of such obligation) JPMorgan Chase & Co. will, in accordance with the JPMorgan Chase & Co. Guarantee, pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligations on the due date for such performance.

c) ***Status of Guarantees***

Neither the JPMorgan Chase Bank, N.A. Guarantee nor the JPMorgan Chase & Co. Guarantee is a deposit insured by the U.S. Federal Deposit Insurance Corporation ("**FDIC**") or any other government authority.

The JPMorgan Chase Bank, N.A. Guarantee is an unsecured and unsubordinated obligation of JPMorgan Chase Bank, N.A., and not of JPMorgan Chase & Co. or of any of its affiliates (each a "**J.P. Morgan affiliate**"), and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of JPMorgan Chase Bank, N.A., subject to a preference in favour of certain U.S. domestic deposit liabilities or any other obligations that are subject to any priorities or preferences.

The JPMorgan Chase & Co. Guarantee is an unsecured and unsubordinated obligation of JPMorgan Chase & Co., and not of JPMorgan Chase Bank, N.A. or of any J.P. Morgan affiliate and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of JPMorgan Chase & Co., subject to a preference in favour of any obligations that are subject to any priorities or preferences.

3.2 Status of the Securities

The Securities constitute general contractual obligations of the Issuers and are not secured by any property of the Issuers, nor are they deposits insured or guaranteed by the FDIC or any other government authority. The Securities are unsecured and unsubordinated obligations of the relevant Issuer, and not of any other Issuer or its affiliates, and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the relevant Issuer, subject to such exceptions as may be provided by any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative or judicial authority or power (including, in the case of JPMorgan Chase Bank, N.A., a preference in favour of certain U.S. domestic deposit liabilities).

C. PROVISIONS APPLICABLE TO NOTES ONLY

4. Interest and other Calculations under the Notes

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date(s) and the amount of interest payable on each Interest Payment Date shall be the Fixed Coupon Amount or, if applicable, the Broken Amount.

If interest is required to be calculated for a Fixed Rate Note for a period other than an Interest Period, such interest shall be calculated by multiplying the Rate of Interest by the Specified Denomination and multiplying the product by the Day Count Fraction, and rounding the resultant figure in accordance with General Condition 21 (*Rounding*). In all other circumstances the Day Count Fraction shall not be applicable to Fixed Rate Notes.

4.2 Interest on Floating Rate Notes

a) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

b) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Period shall be determined in the manner specified in the relevant Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Supplement.

(i) *ISDA Determination for Floating Rate Notes*: where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (i), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent (as defined in the ISDA Definitions) under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions, and under which:

- (A) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (B) the Designated Maturity is a period as specified in the relevant Pricing Supplement; and
- (C) the relevant Reset Date is the first day of that Interest Period unless otherwise specified in the relevant Pricing Supplement.

For the purposes of this sub-paragraph (i), "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

- (ii) *Screen Rate Determination for Floating Rate Notes*: where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period in accordance with the following:

- (A) if the Primary Source for the Rate of Interest is a Page, subject as provided below, the Rate of Interest shall be:

- (1) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
- (2) the arithmetic mean of the Relevant Rates of the entities whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (B) if the Primary Source for the Rate of Interest is Reference Banks or if sub-paragraph (A)(1) above applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (A)(2) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

- (C) if paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of the five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (i) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (ii) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum Rate of Interest or Minimum Rate of Interest applicable to the preceding Interest Period and to the relevant Interest Period). If no Rate of Interest has been determined on any of the previous Interest Determination Dates, the Rate of Interest shall be the rate as determined by the Calculation Agent in its reasonable discretion.

4.3 **Interest on Share Linked Interest Notes, Index Linked Interest Notes, Commodity Linked Interest Notes, FX Linked Interest Notes and Other Variable Linked Interest Notes**

Each Share Linked Interest Note, Index Linked Interest Note, Commodity Linked Interest Note, FX Linked Interest Note and Other Variable Linked Interest Note bears interest from the Interest Commencement Date, such interest to be payable on each Interest Payment Date.

The Rate of Interest or the Interest Amount (as applicable) relating to the Notes will be calculated as set out in the relevant Pricing Supplement (and in accordance with General Condition 4.8 (*Interest Calculations (Notes other than Fixed Rate Notes)*)).

4.4 Zero Coupon Notes

Where a Zero Coupon Note is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Payment Amount (as described in General Condition 5.5 (*Early Redemption of Zero Coupon Notes*)) of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield.

4.5 Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

4.6 Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of the Notes and otherwise as specified in the relevant Pricing Supplement.

4.7 Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this General Condition 4 to the Relevant Date.

4.8 Interest Calculations (Notes other than Fixed Rate Notes)

The amount of interest (the "**Interest Amount**") that shall accrue in respect of any Note other than a Fixed Rate Note for any period shall be calculated by applying the Rate of Interest for such period to the Specified Denomination, multiplying the product by the Day Count Fraction and rounding the result in accordance with General Condition 21 (*Rounding*), unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula).

If any Margin is specified in the relevant Pricing Supplement (either (i) generally or (ii) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (i), or the Rates of Interest for the specified Interest Periods, in the case of (ii), calculated in accordance with General Condition 4.2b) (*Rate of Interest for Floating Rate Notes*) or the relevant Pricing Supplement (in the case of Index Linked Interest Notes, Share Linked Interest Notes, Commodity Linked Interest Notes, FX Linked Interest Notes or Other Variable Linked Interest Notes) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.

4.9 Determination and publication of Rates of Interest

As soon as practicable after any relevant time (which, in respect of an Interest Determination Date shall be the applicable Relevant Time) on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation or adjustment to the terms of the Notes with respect to the calculation of the Interest Amount or the Rate of Interest, as applicable, it shall determine such rate or amount and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Period, obtain such quotation or make

such determination or calculation, as the case may be, and cause the Rate of Interest and/or the Interest Amounts for each Interest Period and the relevant Interest Payment Date or any other amount specified in the relevant Pricing Supplement to be notified to the Relevant Programme Agent, the Issuer, each of the Paying Agents, any other Calculation Agent or Delivery Agent appointed in respect of the Notes that is to make a further calculation or delivery upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, as soon as reasonably practicable after such determination.

Where any Interest Payment Date or Interest Period is subject to adjustment in accordance with the applicable Business Day Convention, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under General Condition 15 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this General Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made.

5. **Redemption of Notes**

5.1 **Redemption at the Option of the Issuer**

If Call Option is specified to be applicable in the relevant Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice to the Holders in accordance with General Condition 25 (*Notices*) (or such other notice period as may be specified in the relevant Pricing Supplement) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount. All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this General Condition 5.1.

a) ***Partial Redemption of Notes represented by a Global Security held on behalf of Euroclear and Clearstream, Luxembourg or Clearstream Frankfurt***

In the case of a partial redemption or partial exercise of an Issuer's option, the Notes represented by a Global Security held on behalf of Euroclear and Clearstream, Luxembourg or Clearstream Frankfurt to be redeemed will be selected in accordance with the rules of Euroclear and Clearstream, Luxembourg or Clearstream Frankfurt, as the case may be, to be reflected in the records of Euroclear and Clearstream, Luxembourg or Clearstream Frankfurt, as the case may be, as either a pool factor or a reduction in nominal amount of each Note at the discretion of Euroclear and Clearstream, Luxembourg or Clearstream Frankfurt, as the case may be.

b) ***Partial Redemption of French Notes***

In the case of a partial redemption or a partial exercise of the Issuer's option in respect of French Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all the French Notes of such Series in a proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such French Notes and, in such latter case, the choice between those French Notes that will be fully redeemed and those French Notes of such Series that will not be redeemed shall be made in accordance with article R. 213-16 of the French *Code monétaire et financier* and the provisions of the relevant Pricing Supplement, subject to compliance with any other applicable laws and any applicable stock exchange requirements.

c) ***Partial Redemption of Finnish Notes***

Any partial redemption of Finnish Notes shall be in accordance with Euroclear Finland Rules, and the notice to Holders shall also contain the quantity of Finnish Notes to be redeemed in respect of which such option has been exercised and shall specify the Closed Periods for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*).

d) ***Partial Redemption of Norwegian Notes***

Any partial redemption of Norwegian Notes shall be in accordance with the VPS Rules, and the Norwegian Notes to be redeemed shall be selected individually by lot in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements, including the VPS Rules. The notice to Holders shall specify the Norwegian Notes or the amount of Norwegian Notes to be redeemed or in respect of which such option has been exercised, and the procedures for partial redemptions laid down in the VPS Rules shall be observed. In respect of redemption of Norwegian Notes, the notice shall also specify the Closed Periods for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*).

e) ***Partial Redemption of Swedish Notes***

The notice to Holders in respect of a partial redemption of Swedish Notes shall specify the Notes or amounts of the Notes to be redeemed or in respect of which such option has been so exercised, and the procedures for partial redemptions laid down in the Swedish CSD Rules will be observed. The Notice shall also specify the Closed Periods for the purposes of General Condition 2.1g)) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*) and the Swedish Record Date for the purposes of General Condition 6 (*Payments*).

f) ***Partial Redemption of Swiss Notes***

In the case of a partial redemption or a partial exercise of the Issuer's option, the redemption of Swiss Notes will be effected by (i) reducing the nominal amount of all the Swiss Notes of such Series in a proportion to the aggregate nominal amount redeemed or (ii) a selection of the Swiss Notes to be redeemed in accordance with the rules of SIS.

5.2 **Redemption at the Option of Holders**

If Put Option is specified to be applicable in the relevant Pricing Supplement, the Issuer shall, at the option of the Holder of any such Note, upon the Holder of such Note giving not less than 15 nor more than 30 calendar days' notice to the Issuer by completion of a Put Option Exercise Notice as specified below (or such other notice period as may be specified in the relevant Pricing Supplement) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount. In respect of Notes which are German Securities, any such notice shall be given in accordance with General Condition 25.9 (*Notices by Holders of German Securities*).

a) **Global Notes**

In respect of Global Notes, to exercise such option or any other Holders' option that may be set out in the relevant Pricing Supplement in respect of Notes other than German Securities, the Holder must give notice to any Paying Agent or the Registrar, respectively, or, in the case of Swiss Notes, to the Swiss Programme Agent, substantially in the form of the Put Option Exercise Notice, except that the Put Option Exercise Notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Bearer Global Security to the Relevant Programme Agent or the Permanent Registered Global Security to the Registrar, as the case may be, for notation.

b) ***Notes in definitive form***

To exercise such option or any other Holders' option that may be set out in the relevant Pricing Supplement, the holder must deposit the registered certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed Put Option Exercise Notice within the notice period. No registered certificate representing such Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

c) ***Finnish Notes***

In respect of Finnish Notes, the Holder must deposit a Put Option Exercise Notice with the Finnish Programme Agent and transfer the relevant Finnish Notes to the book-entry securities account designated by the Finnish Programme Agent and blocked for further transfer by the Finnish Programme Agent (such date will be the first date of a closed period for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*)).

d) ***Norwegian Notes***

In respect of Norwegian Notes, the Holder must register in the relevant VPS account a transfer restriction in favour of the Norwegian Programme Agent and deliver to the Norwegian Programme Agent a duly completed Put Option Exercise Notice within the notice period. A Put Option Exercise Notice in respect of Norwegian Notes will not take effect against the Issuer before the date on which the relevant Norwegian Notes have been transferred to the account designated by the Norwegian Programme Agent or blocked for further transfer by the Norwegian Programme Agent (such date will be the first date of a closed period for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*)). No Norwegian Note so transferred or blocked and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

e) ***Swedish Notes***

A Put Option Exercise Notice in respect of Swedish Notes will not take effect against the Issuer before the date on which the relevant Swedish Notes have been transferred to the account designated by the Swedish Programme Agent and blocked for further transfer by the Swedish Programme Agent (such date will be the first date of a closed period for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*)). No Swedish Note so transferred or blocked and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

5.3 Exercise of Options or Partial Redemption in respect of Registered Notes in definitive form

In the case of an exercise of an Issuer's or Holders' option in respect of, or a partial redemption of, a holding of Registered Notes in definitive form represented by a single registered certificate, a new registered certificate representing such Notes shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes in definitive form of the same holding having different terms, separate registered certificates shall be issued in respect of those Notes of that holding that have the same terms. New registered certificates shall only be issued against surrender of the existing registered certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes in definitive form to a person who is already a Holder of Registered Notes in definitive form, a new registered certificate representing the enlarged holding shall only be issued against surrender of the registered certificate representing the existing holding.

5.4 Exercise of Options or Partial Redemption in respect of Norwegian Notes

Where the exercise of an option results in Norwegian Notes of the same holding having different terms, separate Notes registered with the VPS Register shall be issued in respect of those Norwegian Notes of that holding having the same terms. Such Notes shall only be issued against surrender of the existing Norwegian Notes in accordance with the VPS Rules.

5.5 Early Redemption of Zero Coupon Notes

In respect of any Zero Coupon Notes which are redeemed early in accordance with the General Conditions, the Early Payment Amount shall be the Amortised Face Amount. The Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. If the Early Payment Amount payable is

not paid when due in respect of any such Note upon its redemption pursuant to General Condition 17.4 (*Early Redemption or Termination for Taxation – Additional Amounts/Underlying Hedge Transactions*) or upon it becoming due and payable as provided in General Condition 15 (*Events of Default*), the Early Payment Amount due and payable shall be the Amortised Face Amount of such Note, except that the date on which the Note becomes due and payable shall be the Relevant Date. The calculation of the Amortised Face Amount shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with General Condition 4.4 (*Zero Coupon Notes*).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Pricing Supplement.

5.6 Redemption

a) *Redemption by Instalments*

Unless previously redeemed or purchased and cancelled, as provided in General Condition 23 (*Purchase and Cancellation*), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amounts of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

b) *Final Redemption*

Unless previously redeemed or purchased and cancelled in accordance with General Condition 23 (*Purchase and Cancellation*), each Note (other than a Note to which General Condition 14.1 (*Physical Settlement in respect of Securities*) applies) shall be redeemed on the Maturity Date at its Final Redemption Amount or, in the case of a Note falling within (a) above, its final Instalment Amount. Where the Final Redemption Amount is linked to the performance of a Reference Asset, the Final Redemption Amount shall be calculated by the Calculation Agent at the relevant date as specified in the relevant Pricing Supplement (unless otherwise previously redeemed).

c) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this General Condition and the provisions specified in the relevant Pricing Supplement.

d) *Credit Linked Notes*

Provisions relating to the redemption of Credit Linked Notes will be set out in the relevant Pricing Supplement.

6. Payments

6.1 Payments in respect of Bearer Notes

Payments of principal and interest in respect of Notes represented by a Global Bearer Note shall be made in the manner specified in the relevant Global Note and in the case of German Securities to the Relevant Clearing System for credit to the accounts of the relevant account holders of the Relevant Clearing System against presentation or surrender, as the case may be, of such Global Note at the specified office of the Relevant Programme Agent, subject to the provisions in General Condition 13 (*Payment Disruption*). The Relevant Programme Agent shall make a record of each payment made against presentation or surrender of any Global Bearer Note, distinguishing between any payment of principal and any payment of interest on the Global Bearer Note by the Paying Agent to which it was presented, and such record shall be prima facie evidence that the payment in question has been made.

Payments in respect of French Notes in bearer dematerialised form shall be made in accordance with General Condition 6.2(g) (*Payments in respect of French Notes*).

6.2 Payments in respect of Registered Notes

a) *Payments of principal and interest in respect of Registered Global Notes*

In respect of any Registered Notes represented by a Global Note, payments of principal and interest shall be paid to the person shown on the Register at the close of business on the clearing system business day before the due date for payment or on such other day as specified in the relevant Pricing Supplement (in respect of a Global Registered Note, the "**Record Date**"), and if no further payment falls to be made, on surrender of the Global Note to or to the order of the Registrar, subject to the provisions of General Condition 13 (*Payment Disruption*). The Relevant Programme Agent shall make a record of each payment made against presentation or surrender of any Registered Global Note, distinguishing between any payment of principal and any payment of interest on the Registered Global Note by the Paying Agent to which it was presented, and such record shall be *prima facie* evidence that the payment in question has been made. In this General Condition 6.2a), "**clearing system business day**" means, in relation to Euroclear and Clearstream, Luxembourg, each day which is not a Saturday or a Sunday, 25 December or 1 January, and, in relation to any other Relevant Clearing System, each day on which such Relevant Clearing System is open for business.

b) *Payments of principal and interest in respect of Registered Notes in definitive form*

In respect of any Registered Notes in definitive form, payments of principal and interest (which for the purposes of this General Condition shall include final Instalment Amounts but not other Instalment Amounts), shall be made by a cheque payable in the relevant currency drawn on, or, at the option of the Holder, by transfer to an account denominated in such currency with a Bank, subject to the provisions of General Condition 13 (*Payment Disruption*). Interest payments shall be made in accordance with General Condition 6.2i) (*Record Date*).

c) *Payments in respect of Danish Notes*

Payments of principal and/or interest in respect of Danish Notes shall be made on the due date for such payment to the Holders registered as such in the VP on the Danish Record Date in accordance with the applicable VP Rules.

d) *Payments in respect of Finnish Notes*

Payments of principal and/or interest in respect of Finnish Notes shall be made to the Holders in accordance with Euroclear Finland Rules. The Record Date in respect of Finnish Notes shall be the first Euroclear Finland register day before the due date for payment (in respect of Finnish Notes, the "**Finnish Record Date**"). In this General Condition 6.2d), "**Euroclear Finland register day**" means a day on which the Finnish book-entry securities system is open pursuant to Euroclear Finland Rules.

e) *Payments in respect of Norwegian Notes*

Payments of principal and/or interest in respect of Norwegian Notes shall be made on the due date for such payment to the Holders registered as such on the tenth business day (as defined in the then applicable VPS Rules) prior to the due date, or on such other business day falling closer to the due date as then may be stipulated in the VPS Rules (in respect of Norwegian Notes, the "**Norwegian Record Date**").

f) *Payments in respect of Swedish Notes*

Payments of principal and/or interest in respect of Swedish Notes shall be made to the Holders registered as such on the fifth business day (as defined by the then applicable Swedish CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the Swedish CSD Rules (in respect of Swedish Notes, the "**Swedish Record Date**") and will be made in accordance with the Swedish CSD Rules.

g) ***Payments in respect of French Notes***

Payments of principal and interest (including, for the avoidance of doubt, any arrears of interest, where applicable) in respect of French Notes shall (in the case of Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Euroclear France Account Holders for the benefit of the Holders and (in the case of Notes in fully registered form) to an account denominated in the relevant currency with a Bank designated by the Holders. All payments validly made to such Euroclear France Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

h) ***Payments in respect of Swiss Notes***

Payments of principal and/or interest in respect of Swiss Notes (other than Swiss Notes in definitive form) shall be made to the Holders on the due date for such payment.

i) ***Record Date***

Each payment in respect of a Registered Note in definitive form will be paid to the person shown as the Holder in the Register at the close of business on the fifteenth day before the due date for the payment thereof (in respect of such Registered Note in definitive form, the "**Record Date**"). Where payment in respect of a Registered Note in definitive form is to be made by cheque, the cheque will be mailed to the address of the Holder appearing in the Register (or to the first-named of joint holders).

6.3 Payments subject to laws

All payments are subject in all cases to any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of General Condition 17 (*Taxation and Early Redemption or Termination for Taxation*). No commission or expenses shall be charged to the Holders in respect of such payments.

7. Replacement of Notes

If a registered certificate representing a Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Relevant Programme Agent or such other agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Holders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed registered certificate representing such Note is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note) and otherwise as the Issuer may require. Mutilated or defaced registered certificates representing a Note must be surrendered before replacements will be issued. Upon the issuance of any replacement registered certificates representing such Notes, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental or issuance charge that may be imposed in connection with such replacement and any other expense (including the fees and expenses of the Relevant Programme Agent) connected therewith.

D. PROVISIONS APPLICABLE TO CERTIFICATES ONLY**8. Certificate Coupon****8.1 Coupon Payment Dates**

Each Certificate in respect of which the "Certificate Coupon Provisions" are expressed to be applicable in the relevant Pricing Supplement will pay a coupon in respect of the notional amount per Certificate specified in the relevant Pricing Supplement (the "**Notional Amount**") at the rate per annum (expressed as a percentage) equal to the Fixed Rate Coupon, such coupon being payable in arrear on each Coupon Payment Date. If no Coupon Payment Date(s) is/are shown in the relevant Pricing Supplement, Coupon Payment Date shall mean each date which falls the number of months or other period shown in the relevant Pricing Supplement as the Specified Coupon Period after the preceding Coupon Payment Date or, in the case of the first Coupon Payment Date, after the Issue Date.

8.2 Fixed Rate Coupon and/or Coupon Amount

The Fixed Rate Coupon in respect of each Coupon Period shall be determined in the manner specified in the relevant Pricing Supplement, unless a Coupon Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount payable in respect of such Certificate for such period shall equal such Coupon Amount (or be calculated in accordance with such formula). Any amounts so calculated will be rounded in accordance with General Condition 21 (*Rounding*).

If the coupon is to be calculated by reference to a Fixed Rate Coupon, the coupon amount in respect of each Coupon Period shall be calculated by multiplying the Notional Amount by the Fixed Rate Coupon for such period, further multiplying the product by the Day Count Fraction, and rounding the result in accordance with General Condition 21 (*Rounding*).

8.3 Floating Rate Coupon

a) *Floating Rate Coupon Payment Dates*

Each Certificate in respect of which the "Certificate Floating Rate Coupon Provisions" are expressed to be applicable in the relevant Pricing Supplement bears interest on its Notional Amount from the Floating Rate Coupon Commencement Date at the rate per annum (expressed as a percentage) equal to the Floating Rate Coupon, such interest being payable in arrear on each Floating Rate Coupon Payment Date.

b) *Floating Rate Coupon*

The coupon rate in respect of each Certificate in respect of which the "Certificate Floating Rate Coupon Provisions" are specified to be applicable in the relevant Pricing Supplement for each Floating Rate Coupon Period shall be determined in the manner specified in the relevant Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified to be applicable in the relevant Pricing Supplement.

- (i) *ISDA Determination for Floating Rate Coupon*: where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Floating Rate Coupon is to be determined, the Floating Rate Coupon for each Floating Rate Coupon Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (i), "ISDA Rate" for a Floating Rate Coupon Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent (as defined in the ISDA Definitions) under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions, and under which:

- (A) the Floating Rate Option is as specified in the relevant Pricing Supplement;
- (B) the Designated Maturity is a period as specified in the relevant Pricing Supplement; and
- (C) the relevant Reset Date is the first day of that Floating Rate Coupon Period unless otherwise specified in the relevant Pricing Supplement.

For the purposes of this sub-paragraph (i), "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

- (ii) *Screen Rate Determination for Floating Rate Coupon*: where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Floating Rate Coupon is to be determined, the Floating Rate Coupon for each Floating Rate Coupon Period shall be determined by the Calculation Agent at or about the Relevant Time on the Floating Rate Coupon Determination Date in respect of such Floating Rate Coupon Period in accordance with the following:

- (A) if the Primary Source for the Floating Rate Coupon is a Page, subject as provided below, the Floating Rate Coupon shall be:

- (1) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
- (2) the arithmetic mean of the Relevant Rates of the entities whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Floating Rate Coupon Determination Date;

- (B) if the Primary Source for the Floating Rate Coupon is Reference Banks or if sub-paragraph (A)(1) above applies and no Relevant Rate appears on the Page at the Relevant Time on the Floating Rate Coupon Determination Date or if sub-paragraph (A)(2) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Floating Rate Coupon Determination Date, subject as provided below, the Floating Rate Coupon shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Floating Rate Coupon Determination Date, as determined by the Calculation Agent; and
- (C) if paragraph (B) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Floating Rate Coupon shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of the five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (i) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (ii) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Floating Rate Coupon shall be the Floating Rate Coupon determined on the previous Floating Rate Coupon Determination Date (after readjustment for any difference between any Margin or Maximum Rate of Floating Rate Coupon or Minimum Rate of Floating Rate Coupon applicable to the preceding Floating Rate Coupon Period and to the relevant Floating Rate Coupon Period). If no Floating Rate Coupon has been determined on any of the previous Floating Rate Coupon Determination Dates, the Floating Rate Coupon shall be the rate as determined by the Calculation Agent in its reasonable discretion.

c) ***Accrual of interest on Certificates in respect of which the Certificate Floating Rate Coupon Provisions are applicable***

Interest shall cease to accrue on each Certificate in respect of which the "Certificate Floating Rate Coupon Provisions" are specified to be applicable in the relevant Pricing Supplement on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Floating Rate Coupon in the manner provided in this General Condition 8.3 to the Relevant Date.

d) ***Floating Rate Coupon Calculations***

The amount of interest that shall accrue in respect of each Certificate in respect of which the "Certificate Floating Rate Coupon Provisions" are specified to be applicable in the relevant Pricing Supplement for any period shall be calculated by applying the Floating Rate Coupon for such period to the Notional Amount, multiplying the product by the Day Count Fraction and rounding the result in accordance with General Condition 21 (*Rounding*), unless a Coupon Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Certificate for such period shall equal such Coupon Amount (or be calculated in accordance with such formula).

If any Margin is specified in the relevant Pricing Supplement (either (i) generally or (ii) in relation to one or more Floating Rate Coupon Periods), an adjustment shall be made to all Floating Rate Coupons, in the case of (i), or the Floating Rate Coupons for the specified Floating Rate Coupon Periods, in the case of (ii), calculated in accordance with General Condition 8.3b) (*Floating Rate Coupon*) or the relevant Pricing Supplement by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.

If any Maximum Rate of Floating Rate Coupon or Minimum Rate of Floating Rate Coupon is specified in the relevant Pricing Supplement, then any Floating Rate Coupon shall be subject to such maximum or minimum, as the case may be.

e) ***Determination and publication of Floating Rate Coupon***

As soon as practicable after any relevant time (which, in respect of an Floating Rate Coupon Determination Date shall be the applicable Relevant Time) on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation or adjustment to the terms of the Certificates with respect to the calculation of the Coupon Amount or the Floating Rate Coupon, as applicable, it shall determine such rate or amount and calculate the Coupon Amounts in respect of the Notional Amount of the Certificates for the relevant Floating Rate Coupon Period, obtain such quotation or make such determination or calculation, as the case may be, and cause the Floating Rate Coupon and/or the Coupon Amounts for each Floating Rate Coupon Period and the relevant Floating Rate Coupon Payment Date or any other amount specified in the relevant Pricing Supplement to be notified to the Relevant Programme Agent, the Issuer, each of the Paying Agents, any other Calculation Agent or Delivery Agent appointed in respect of the Certificates that is to make a further calculation or delivery upon receipt of such information and, if the Certificates are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Floating Rate Coupon Period, if determined prior to such time, in the case of notification to such exchange of a Floating Rate Coupon and Coupon Amount, or (ii) in all other cases, as soon as reasonably practicable after such determination.

Where any Floating Rate Coupon Payment Date or Floating Rate Coupon Period is subject to adjustment in accordance with the applicable Business Day Convention, the Coupon Amounts and the Floating Rate Coupon Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Coupon Period. If the Certificates become due and payable under General Condition 15 (*Events of Default*), the accrued interest and the Floating Rate Coupon payable in respect of the Certificates shall nevertheless continue to be calculated as previously in accordance with this General Condition 8 but no publication of the Floating Rate Coupon or the Coupon Amount so calculated need be made.

9. **Redemption Rights in respect of Certificates**

9.1 **Redemption at the Option of the Issuer**

If Call Option is specified to be applicable in the relevant Pricing Supplement, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice to the Holders in accordance with General Condition 25 (*Notices*) (or such other notice period as may be specified in the relevant Pricing Supplement) redeem, all or, if so provided, some, of the Certificates on any Optional Redemption Date, provided that, if "Notional Amount" is specified to be "Not Applicable" in the relevant Pricing Supplement, the Issuer shall redeem all, and not some only, of such Certificates. Any such redemption of Certificates shall be at their Optional Redemption Amount. All Certificates in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this General Condition 9.1.

a) ***Partial Redemption of Certificates represented by a Global Security held on behalf of Euroclear and Clearstream, Luxembourg or Clearstream Frankfurt***

In the case of a partial redemption or partial exercise of an Issuer's option, the Certificates represented by a Global Security held on behalf of Euroclear and Clearstream, Luxembourg or Clearstream Frankfurt to be redeemed will be selected in accordance with the rules of Euroclear and Clearstream,

Luxembourg or Clearstream Frankfurt, as the case may be, to be reflected in the records of Euroclear and Clearstream, Luxembourg or Clearstream Frankfurt, as the case may be, as either a pool factor or a reduction in notional amount of each Certificate at the discretion of Euroclear and Clearstream, Luxembourg or Clearstream Frankfurt, as the case may be.

b) ***Partial Redemption of French Certificates***

In the case of a partial redemption or a partial exercise of the Issuer's option, the redemption will be effected by reducing the notional amount of all the French Certificates of such Series in a proportion to the aggregate notional amount redeemed.

c) ***Partial Redemption of Finnish Certificates***

Any partial redemption of Finnish Certificates shall be in accordance with Euroclear Finland Rules, and the notice to Holders shall also contain the quantity of Finnish Certificates to be redeemed in respect of which such option has been exercised and shall specify the Closed Periods for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*).

d) ***Partial Redemption of Norwegian Certificates***

Any partial redemption of Norwegian Certificates shall be in accordance with the VPS Rules, and the Norwegian Certificates to be redeemed shall be selected individually by lot in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements, including the VPS Rules. The notice to Holders shall specify the Norwegian Certificates or the amount of Norwegian Certificates to be redeemed or in respect of which such option has been exercised, and the procedures for partial redemptions laid down in the VPS Rules shall be observed. In respect of redemption of Norwegian Certificates, the notice shall also specify the Closed Periods for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*).

e) ***Partial Redemption of Swedish Certificates***

The notice to Holders in respect of a partial redemption of Swedish Certificates shall specify the Certificates or amounts of the Certificates to be redeemed or in respect of which such option has been so exercised, and the procedures for partial redemptions laid down in the Swedish CSD Rules will be observed. The Notice shall also specify the Closed Periods for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*) and the Swedish Record Date for the purposes of General Condition 9.6a)(ii) (*Finnish Certificates, Norwegian Certificates and Swedish Certificates*).

f) ***Partial Redemption of Swiss Certificates***

In the case of a partial redemption or a partial exercise of the Issuer's option, the redemption of Swiss Certificates will be effected by (i) reducing the notional amount of all the Swiss Certificates of such Series in a proportion to the aggregate notional amount redeemed or (ii) a selection of the Swiss Certificates to be redeemed in accordance with the rules of SIS.

9.2 **Redemption at the Option of Holders**

If Put Option is specified to be applicable in the relevant Pricing Supplement, the Issuer shall, at the option of the Holder of any such Certificate, upon the Holder of such Certificate giving not less than 15 nor more than 30 calendar days' notice to the Issuer by completion of a Put Option Exercise Notice as specified below (or such other notice period as may be specified in the relevant Pricing Supplement) redeem such Certificate on the Optional Redemption Date(s) at its Optional Redemption Amount. In respect of Certificates which are German Securities, any such notice shall be given in accordance with General Condition 25.9 (*Notices by Holders of German Securities*).

a) ***Global Certificates***

In respect of Global Certificates, to exercise such option or any other Holders' option that may be set out in the relevant Pricing Supplement in respect of Certificates other than German Securities, the Holder must give notice to any Paying Agent or the Registrar, respectively, or, in the case of Swiss Certificates, to the Swiss Programme Agent, substantially in the form of the Put Option Exercise Notice, except that the Put Option Exercise Notice shall not be required to contain the serial numbers of the Certificates in respect of which the option has been exercised, and stating the notional amount of Certificates in respect of which the option is exercised and at the same time presenting the Permanent Bearer Global Security to the Relevant Programme Agent or the Permanent Registered Global Security to the Registrar, as the case may be, for notation.

b) ***Certificates in definitive form***

To exercise such option or any other Holders' option that may be set out in the relevant Pricing Supplement, the holder must deposit the registered certificate representing such Certificate(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed Put Option Exercise Notice within the notice period. No registered certificate representing such Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

c) ***Finnish Certificates***

In respect of Finnish Certificates, the Holder must deposit a Put Option Exercise Notice with the Finnish Programme Agent and transfer the relevant Finnish Certificates to the book-entry securities account designated by the Finnish Programme Agent and blocked for further transfer by the Finnish Programme Agent (such date will be the first date of a closed period for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*)).

d) ***Norwegian Certificates***

In respect of Norwegian Certificates, the Holder must register in the relevant VPS account a transfer restriction in favour of the Norwegian Programme Agent and deliver to the Norwegian Programme Agent a duly completed Put Option Exercise Notice within the notice period. A Put Option Exercise Notice in respect of Norwegian Certificates will not take effect against the Issuer before the date on which the relevant Norwegian Certificates have been transferred to the account designated by the Norwegian Programme Agent or blocked for further transfer by the Norwegian Programme Agent (such date will be the first date of a closed period for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*)). No Norwegian Certificate so transferred or blocked and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

e) ***Swedish Certificates***

A Put Option Exercise Notice in respect of Swedish Certificates will not take effect against the Issuer before the date on which the relevant Swedish Certificates have been transferred to the account designated by the Swedish Programme Agent and blocked for further transfer by the Swedish Programme Agent (such date will be the first date of a closed period for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*)). No Swedish Certificate so transferred or blocked and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

9.3 Exercise of Options or Partial Redemption in respect of Registered Certificates in definitive form

In the case of an exercise of an Issuer's or Holders' option in respect of, or a partial redemption of, a holding of Registered Certificates in definitive form represented by a single registered certificate, a new registered certificate shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Certificates in definitive form of the same holding having different terms, separate registered certificates shall be issued in respect of those Certificates of that holding that have the same terms. New registered certificates shall only be issued against surrender of the existing registered

certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Certificates in definitive form to a person who is already a Holder of Registered Certificates in definitive form, a new registered certificate representing the enlarged holding shall only be issued against surrender of the registered certificate representing the existing holding.

9.4 Exercise of Options or Partial Redemption in respect of Norwegian Certificates

Where the exercise of an option results in Norwegian Certificates of the same holding having different terms, separate Certificates registered with the VPS Register shall be issued in respect of those Norwegian Certificates of that holding having the same terms. Such Certificates shall only be issued against surrender of the existing Norwegian Certificates in accordance with the VPS Rules.

9.5 Redemption on the Redemption Date

Unless previously redeemed, purchased and/or cancelled, each Certificate shall be redeemed by the Issuer on the Redemption Date at its Redemption Amount, if any. The Redemption Amount shall be calculated by the Calculation Agent in accordance with the relevant Pricing Supplement and shall be notified to the Relevant Clearing System(s) and/or any Holders of Certificates that are in definitive form, with a copy to the Relevant Programme Agent and the Issuer by no later than 10.00 a.m. (Local Time) on the earlier of (a) one Clearing System Business Day after the Redemption Date and (b) the Settlement Date. If the relevant Pricing Supplement confer on the Issuer an option of either Cash Settlement or Physical Settlement, its choice shall be notified to the Holders in accordance with General Condition 25 (*Notices*). Payments shall be made by a cheque, in the case of Certificates in definitive form, or against presentation or surrender of the Global Security representing the Certificates, in the case of Certificates represented by a Global Security, at the specified office of the Relevant Programme Agent.

9.6 Redemption Procedure

a) Cash Settlement

- (i) *Transfer of Redemption Amount:* The Issuer shall, for each Certificate being redeemed and which is to be settled by Cash Settlement, transfer or procure the transfer of the Redemption Amount for value on the Redemption Date in respect of such Certificate, less any Expenses which the Issuer is required by law to deduct or withhold, or is authorised to deduct:
 - (A) in respect of Certificates represented by a Global Certificate or in respect of Swiss Securities in uncertificated form (other than Certificates which are German Securities) to the Relevant Clearing System(s) for the credit of the account of the relevant Holder outside the United States;
 - (B) in respect of Certificates represented by a Global Certificate which are German Securities, to the Relevant Clearing System for the credit of the account of the relevant account holder in the Relevant Clearing System;
 - (C) in respect of Certificates in definitive form (other than Certificates which are Swiss Securities), by a cheque payable in the relevant currency drawn on, or, at the option of the Holder, by transfer to an account denominated in such currency with a Bank; or
 - (D) in respect of Certificates in definitive form which are Swiss Securities, by transfer to an account denominated in the relevant currency drawn on with a Bank against presentation and surrender of the relevant Certificates in definitive form at the specified office of the Swiss Programme Agent,

subject, in each case, to General Condition 13 (*Payment Disruption*).

- (ii) *Finnish Certificates, Norwegian Certificates and Swedish Certificates:* In respect of Finnish Certificates registered as Notes with Euroclear Finland, Norwegian Certificates and Swedish Certificates, Cash Settlement will occur in accordance with Euroclear Finland Rules, the VPS Rules or the Swedish CSD Rules respectively, and payments will be effected to the Holder recorded as such on the Relevant Record Date to an account outside the United States and subject in each case to the provisions of General Condition 13 (*Payment Disruption*). In respect

of Finnish Certificates registered as warrants with Euroclear Finland, Cash Settlement will occur in accordance with Euroclear Finland Rules and payments will be effected to the Holder recorded as such three days prior to the due date of such settlement to an account outside the United States and subject, in each case, to General Condition 13 (*Payment Disruption*).

b) ***Physical Settlement***

- (i) *Transfer of Reference Asset Amount*: The Issuer shall, for each Certificate being redeemed and which is to be settled by Physical Settlement, transfer or procure the transfer of the Reference Asset Amount in accordance with General Condition 14 (*Physical Settlement*).
- (ii) *Finnish Certificates, Norwegian Certificates and Swedish Certificates*: In addition, in respect of Finnish Certificates registered as Notes with Euroclear Finland, Norwegian Certificates and Swedish Certificates, Physical Settlement will occur in accordance with Euroclear Finland Rules, the VPS Rules or the Swedish CSD Rules respectively, and transfers will be effected to the Holder recorded as such on the Relevant Record Date. In respect of Finnish Certificates registered as warrants with Euroclear Finland, Physical Settlement will occur in accordance with Euroclear Finland Rules and transfers will be effected to the Holder recorded as such three days prior to the due date of such transfer.

c) ***Expenses***

The Issuer is authorised to deduct from the Redemption Amount (i) all Expenses, if any, payable by the Issuer or its affiliates in connection with the redemption of the Certificates, (ii) any and all Expenses in relation to any transfer of the Reference Asset Amount made as a result of such redemption, (iii) if the relevant Pricing Supplement specifies exercise rights, all Expenses arising in connection with the exercise of the Certificates in the place in which the relevant Exercise Notice is delivered for exercise, (iv) if the relevant Pricing Supplement specifies exercise rights, all Expenses involved in delivering the relevant Exercise Notice that are payable by the Issuer or its affiliates, and (v) all Expenses, if any, involved with complying with any Non-U.S. Certification or the Eligible Investor Certification that are payable by the Issuer or its affiliates.

d) ***Record Date***

Each payment in respect of:

- (i) a Registered Certificate represented by a Global Security will be paid to the person shown as the Holder in the Register as at the close of business on the clearing system business day before the due date for the payment thereof, unless otherwise specified in the relevant Pricing Supplement (in respect of such Registered Certificate represented by a Global Security, the "**Record Date**"). In this General Condition 9.6d)(i), "**clearing system business day**" means, in relation to Euroclear and Clearstream, Luxembourg, each day which is not a Saturday or a Sunday, 25 December or 1 January, and, in relation to any other Relevant Clearing System, each day on which such Relevant Clearing System is open for business;
- (ii) a Registered Certificate in definitive form will be paid to the person shown as the Holder in the Register at the close of business on the fifteenth day before the due date for the payment thereof (in respect of such Registered Certificate in definitive form, the "**Record Date**"). Where payment in respect of a Registered Certificate in definitive form is to be made by cheque, the cheque will be mailed to the address of the Holder appearing in the Register (or to the first-named of joint holders);
- (iii) a Swedish Certificate shall be made to the Holders registered as such on the fifth business day (where the Swedish Certificates have been registered by the Swedish CSD on the basis of notional amount) or, as the case may be, on the fourth business day (where the Swedish Certificates have been registered by the Swedish CSD on the basis of the number of securities) (in each case as such business day is defined by the then applicable Swedish CSD Rules) before the due date for such payment, or, in each case, on such other business day falling closer to the due date as then may be stipulated in the Swedish CSD Rules (in respect of Swedish Certificates, the "**Swedish Record Date**") and will be made in accordance with the Swedish CSD Rules and payments will be effected to the Holder recorded as such on the Swedish Record

Date to an account outside the United States and subject in each case to the provisions of General Condition 13 (*Payment Disruption*); and

- (iv) a Swiss Certificate (other than Swiss Certificates in definitive form) shall be made to the Holder on the due date for such payment.

10. **Exercise Rights in respect of Certificates**

If the relevant Pricing Supplement specifies "Exercise applicable to Certificates" to be applicable, then General Condition 11 (*Exercise of Warrants*) shall apply to the Certificates instead of General Condition 9 (*Redemption Rights in respect of Certificates*) to such Certificates and the relevant Pricing Supplement may make such other consequential changes to these General Conditions in order to effect such exercise as may be requisite or desirable in the reasonable commercial discretion of the Issuer.

E. **PROVISIONS APPLICABLE TO WARRANTS ONLY**

11. **Exercise of Warrants**

11.1 **Exercise Rights**

a) ***Exercise Style and Period***

Warrants designated in the relevant Pricing Supplement as:

- (i) "American Style" Warrants are exercisable on any Scheduled Trading Day (or other such types of days as may be specified in the relevant Pricing Supplement) during the applicable period specified in the relevant Pricing Supplement;
- (ii) "European Style" Warrants are only exercisable on the Expiration Date;
- (iii) "Bermudan Style" Warrants are exercisable on any one of one or more Potential Exercise Dates and on the Expiration Date,

subject to (i) General Condition 11.3a) (*Exercise Notice*) and (ii) prior termination of the Warrants as provided in General Condition 16 (*Early Redemption or Termination for Illegality*) and 17.3 (*Early Redemption or Termination for Taxation – FATCA*).

If Automatic Exercise is applicable to the Warrants, then (unless the Warrants have been previously terminated in accordance with General Condition 16 (*Early Redemption or Termination for Illegality*) or 17.3 (*Early Redemption or Termination for Taxation – FATCA*) or purchased and cancelled), the Warrants shall be deemed to be automatically exercised on the Expiration Date.

b) ***Entitlement***

The rights attaching to each Warrant on exercise will be as set out in the relevant Pricing Supplement.

c) ***Failure to Exercise - European Style Warrants***

Any Warrant designated in the relevant Pricing Supplement as "European Style" with respect to which no Exercise Notice has been delivered to the Relevant Clearing System(s) and copied to the Relevant Programme Agent or (in the case of Warrants in definitive form and Warrants which are Swiss Securities or German Securities) to the Relevant Programme Agent only, in the manner set out in General Condition 11.3a) (*Exercise Notice*), at or prior to 10.00 a.m. (Local Time) on the relevant Expiration Date, shall become void unless the relevant Pricing Supplement states that "Automatic Exercise" is applicable, in which case such Warrant shall be deemed to have been automatically exercised on the Expiration Date.

d) ***Failure to Exercise - American or Bermudan Style Warrants***

Any Warrant designated in the relevant Pricing Supplement as "American Style" or "Bermudan Style" with respect to which no duly completed Exercise Notice has been delivered to the Relevant Clearing System(s) and copied to the Relevant Programme Agent or (in the case of Warrants in definitive form and Warrants which are Swiss Securities or German Securities) to the Relevant Programme Agent only,

in the manner set out in General Condition 11.3a) (*Exercise Notice*), at or prior to 10.00 a.m. (Local Time) on the relevant Expiration Date shall become void unless the relevant Pricing Supplement states that "Automatic Exercise" is applicable, in which case such Warrant shall be deemed to have been automatically exercised on the Expiration Date.

11.2 Automatic Exercise Warrant Notice Requirement

In respect of Warrants which are automatically exercised, the relevant Holder shall, to the extent specified by the Issuer in a notice to the Holders given in the manner set out in General Condition 25 (*Notices*), deliver to the Relevant Clearing System(s) copied to the Relevant Programme Agent (or deliver to the Relevant Programme Agent only in the case of Warrants in definitive form and Warrants which are Swiss Securities or German Securities) a notice (an "**Automatic Exercise Warrant Notice**") (substantially in the form provided by the Relevant Programme Agent to the Relevant Clearing System, which shall include in the case of Warrants to be settled by Physical Settlement, the Non-U.S. Certification, or, in the case of Rule 144A Securities or Regulation S/Rule 144A Warrants, the Eligible Investor Certification) within 30 days of the Expiration Date providing the information and certification specified in the Exercise Notice. Unless expressly provided otherwise, such Automatic Exercise Warrant Notice shall be deemed to be the Exercise Notice for the purposes of the General Conditions.

Where an Automatic Exercise Warrant Notice is required by the Issuer, then the Settlement Amount of the Warrants, the Exercise Amount of the Warrants or the Reference Asset Amount in respect of the Warrants will only be paid or delivered, as the case may be, to the Holder if the Relevant Clearing System(s) and/or Relevant Programme Agent, as provided herein or in the relevant Pricing Supplement, receives an Automatic Exercise Warrant Notice in such form as the Relevant Clearing System(s) and/or Relevant Programme Agent considers in its discretion to be satisfactory, within 30 days of the Expiration Date and if no such Automatic Exercise Warrant Notice is received in respect of those Warrants initially subject to Physical Settlement, such Warrants shall be subject to Cash Settlement in all circumstances with such reductions to the Settlement Amount for the Expenses arising as a result of such Holder's failure to deliver such required Automatic Exercise Warrant Notice. Settlement of Warrants will be made in accordance with this General Condition 11 except that the Issuer shall, for each Warrant being exercised, transfer or procure the transfer of the Settlement Amount or the Exercise Amount on the Alternative Settlement Date, which shall occur only upon receipt and approval of such Automatic Exercise Warrant Notice, as the case may be.

11.3 Exercise Procedure

a) *Exercise Notice*

Warrants may be exercised in the following manner:

- (i) in respect of Warrants (other than Warrants which are German Securities) represented by a Global Warrant which is held on behalf of Euroclear and/or Clearstream, Luxembourg only, by the sending of an authenticated instruction by SWIFT message or by any other authorised communication channel, in accordance with Euroclear and/or Clearstream, Luxembourg's rules and operating procedures, to Euroclear and/or Clearstream, Luxembourg, which shall include all the information set out in the form provided by the Principal Programme Agent and which will constitute an Exercise Notice in respect of such Warrants and, following receipt, Euroclear and/or Clearstream, Luxembourg will send copies of any Exercise Notices so received to the Principal Programme Agent; or
- (ii) in respect of any Warrants other than Warrants represented by a Global Warrant which is held on behalf of Euroclear and/or Clearstream, Luxembourg (including Warrants which are German Securities), by delivery of a duly completed Exercise Notice (substantially in the form provided by the Relevant Programme Agent) to the Relevant Clearing System(s) with a copy to the Relevant Programme Agent or to the Relevant Programme Agent only (in the case of Warrants in definitive form and Warrants which are Swiss Securities or German Securities),

in each case prior to the Latest Exercise Time on any Scheduled Trading Day (in the case of "American Style" Warrants) or the Latest Exercise Time on any Potential Exercise Date (in the case of "Bermudan Style" Warrants) during the relevant Exercise Period; provided that, in respect of Warrants designated in the relevant Pricing Supplement as "European Style", such Exercise Notice may be delivered at any

time after 10.00 a.m. (Local Time) on the Business Day immediately preceding the Expiration Date but prior to the Latest Exercise Time on the Expiration Date as provided above.

b) ***Verification of the Holder***

Upon receipt of an Exercise Notice (if any) in respect of Warrants other than Warrants which are German Securities, the Relevant Programme Agent (or such other person designated by the then applicable VPS Rules, the Swedish CSD Rules or Euroclear Finland Rules, as applicable, to be responsible for such actions) will request the Relevant Clearing System(s) to verify that the person exercising the Warrants specified therein was, as at 10.00 a.m. (Local Time) on the relevant Exercise Date, the Holder thereof according to the books of the Relevant Clearing System(s). If the Relevant Clearing System(s) is/are unable so to verify, such Exercise Notice shall be deemed not to have been given. In the event that the Warrants are Registered Warrants in definitive form, the Registrar will verify that the person exercising the Warrants is the Holder thereof and will inform the Issuer of the details thereof, and the inability of the Registrar to so verify shall cause such Exercise Notice to be deemed not given. In respect of Warrants other than Warrants which are German Securities, the Relevant Clearing System(s) will, on or before the Settlement Date, debit the Warrants being exercised from the account of the Holder specified in the Exercise Notice (but without prejudice to the accrued rights of the relevant Holder). In respect of Finnish Warrants, Norwegian Warrants and Swedish Warrants, such verification and debiting of the relevant securities accounts shall be pursuant to the then applicable Euroclear Finland Rules, VPS Rules or Swedish CSD Rules (as applicable) and the Relevant Programme Agent shall request and/or effect the transfer by the Holder of the relevant Finnish Warrants, Norwegian Warrants, or Swedish Warrants (as the case may be) to an account blocked for further transfers until such debiting may occur.

In the case of exercised Warrants in definitive form where Issuer Physical Settlement is applicable, the relevant Reference Assets (if any) shall be delivered outside the United States to the Holder by the Delivery Agent.

c) ***Cash Settlement - Warrants***

- (i) The Issuer shall, for each Warrant being exercised and which is to be settled by Cash Settlement, on the Settlement Date transfer or procure the transfer of the Settlement Amount, less any Expenses due by reason of such exercise or deemed exercise of such Warrant (including any Expenses which are required by law to be deducted or withheld from any payments from the Issuer to the Holder of such Warrant, provided that if the deduction of Expenses would otherwise reduce the amount payable to the Holder to zero, such amount shall be deemed to be zero), which the Issuer is authorised to deduct under the Exercise Notice as applicable, to the Holder's account (located outside the United States) as specified in the relevant Exercise Notice for value on the Settlement Date, provided that, if no Exercise Notice is delivered for the exercise of such Warrants and Automatic Exercise is applicable to such Warrants:
 - (A) if the Warrants are represented by a Global Warrant or are Swiss Securities in uncertificated form (other than Warrants which are German Securities), then the Issuer shall pay the Settlement Amount in respect of such Warrants, less any Expenses to the Relevant Clearing System(s) for the credit of the accounts of the relevant Holders;
 - (B) if the Warrants are German Securities represented by a Global Warrant then the Issuer shall pay the Settlement Amount in respect of such Warrants less any Expenses against presentation or surrender of the Global Warrant at the specified office of the Relevant Programme Agent, to the Relevant Clearing System, for the credit of the account of the relevant account holder with the Relevant Clearing System;
 - (C) if the Warrants are in definitive form (other than Warrants which are Swiss Securities), then the Issuer shall pay the Settlement Amount in respect of such Warrants in definitive form, less any Expenses by a cheque payable in the relevant currency drawn on, or, at the option of the Holder by transfer to an account denominated in such currency with a Bank; or
 - (D) if the Warrants are in definitive form and are Swiss Securities, by transfer to an account denominated in the relevant currency drawn on with a Bank against presentation and

surrender of the relevant Warrants in definitive form at the specified office of the Swiss Programme Agent,

in each case, subject to, if so required by the Issuer, the provision by such Holder of an Automatic Exercise Warrant Notice.

- (ii) *Norwegian Warrants and Swedish Warrants:* In addition, in respect of Norwegian Warrants and Swedish Warrants, Cash Settlement will occur in accordance with the VPS Rules or the Swedish CSD Rules respectively, and payments will be effected to the Holder recorded as such on the Relevant Record Date.
- (iii) *Finnish Warrants:* In respect of Finnish Warrants, Cash Settlement will occur in accordance with the Euroclear Finland Rules, and payments will be effected to the Holder recorded as such three days prior to the due date of such settlement.

d) ***Issuer Physical Settlement***

- (i) The Issuer shall, for each Warrant being exercised and which is to be settled by Issuer Physical Settlement, on the Settlement Date (but only if the Exercise Amount (if any) and any other amounts payable by the Holder in connection with such exercise, including the additional amount (if any) in accordance with the Holder's undertakings given in the Exercise Notice, have been received by the Issuer in accordance with the relevant Pricing Supplement and all Expenses have been paid by the Holder in accordance with General Condition 11.3h) (*Expenses*)), deliver or procure delivery of Reference Assets as contemplated by the relevant Pricing Supplement to the account (located outside the United States) or person specified in the relevant Exercise Notice, as applicable. For the purposes hereof, delivery of Reference Assets will be made in accordance with usual market practice for delivery of such Reference Assets.
- (ii) *Norwegian Warrants and Swedish Warrants:* In addition, in respect of Norwegian Warrants and Swedish Warrants, Physical Settlement will occur in accordance with the VPS Rules or the Swedish CSD Rules respectively, and transfers will be effected to the Holder recorded as such on the Relevant Record Date.
- (iii) *Finnish Warrants:* In addition, in respect of Finnish Warrants, Physical Settlement will occur in accordance with the Euroclear Finland Rules, and transfers will be effected to the Holder recorded as such three days prior to the due date of such settlement.

e) ***Holder Physical Settlement***

The Issuer shall, for each Warrant being exercised and which is to be settled by Holder Physical Settlement, on the Settlement Date (but only if the Reference Assets required to be delivered by the Holder in connection with such exercise have been received by the Issuer in accordance with the relevant Pricing Supplement) transfer or procure the transfer of the Exercise Amount, less any Expenses which the Issuer is authorised to deduct under the Exercise Notice as applicable, to the Holder's account (located outside the United States) as specified in the relevant Exercise Notice as applicable, for value on the Settlement Date. For the purposes hereof, the Issuer shall, if necessary, upon receipt of an Exercise Notice, give the Holder sufficient information to enable it to deliver the Reference Assets to the Issuer.

f) ***Determination***

Any determination as to whether an Exercise Notice contains all the relevant information and is validly delivered shall be made by the Relevant Programme Agent (as applicable) in its sole and absolute discretion and shall be conclusive and binding on the Issuer, the relevant Guarantor (if any) in respect of Warrants issued by JPMSP, JPMBD and JPMI, the Registrar, the Calculation Agent and the Holder. Any Exercise Notice so determined to be incomplete or not in proper form, or which is not, in the case of a Warrant sent or otherwise copied to the Relevant Programme Agent immediately after being sent to the Relevant Clearing System(s) (in the case of Global Warrants) or to the Relevant Programme Agent (in the case of Warrants in definitive form and Warrants which are Swiss Securities or German Securities), as applicable, shall be void. If such Exercise Notice is subsequently corrected to the satisfaction of the Relevant Programme Agent as applicable, it shall be deemed to be a new Exercise Notice submitted at the time the correction is delivered. The Relevant Programme Agent will

endeavour to notify the Holder of an incomplete Exercise Notice as soon as possible after it becomes aware of the improper exercise. An Exercise Notice shall not be considered to be duly completed if it does not contain the Non-U.S. Certification or, as the case may be, the Eligible Investor Certification, in the required form.

g) ***Effect of Exercise of Warrants***

Delivery of an Exercise Notice or, in the case of automatically exercised Warrants, the occurrence of the Exercise Date, shall constitute an irrevocable election by the relevant Holder to exercise the relevant Warrants. After delivery of such Exercise Notice or occurrence of such Exercise Date (as applicable), such exercising Holder may not otherwise transfer such Warrants. Notwithstanding this, if any Holder does so transfer or attempts so to transfer such Warrants, the Holder will be liable to the Issuer for any Expenses suffered or incurred by the Issuer or any of its affiliates through whom it has hedged its position, including those suffered or incurred as a consequence of the Issuer or any of its affiliates through whom it has hedged its position having terminated or commenced any related hedging operations in reliance on the relevant Exercise Notice or Exercise Date (as applicable) and subsequently (i) entering into replacement hedging operations in respect of such Warrants or (ii) paying any amount on the subsequent exercise of such Warrants without having entered into any replacement hedging operations.

h) ***Expenses***

A Holder exercising a Warrant shall pay (i) all Expenses, if any, payable in connection with the exercise of the Warrant, (ii) all Expenses in relation to any transfer of the Reference Asset made as a result of such exercise, (iii) all Expenses arising on the exercise of the Warrants in the place in which the Exercise Notice is delivered, (iv) all Expenses involved in delivering the Exercise Notice and (v) all Expenses, if any, involved in complying with the Non-U.S. Certification or, as the case may be, the Eligible Investor Certification.

i) ***Minimum Number of Warrants Exercisable***

If Warrants are designated as "American Style" or "Bermudan Style" and a Minimum Exercise Number is specified in the relevant Pricing Supplement, then, save in respect of when the Exercise Date is the Expiration Date, the Warrants of such Series or Tranche may only be exercised in the Minimum Exercise Number or such multiples in which such Series or Tranche may be exercised in accordance with the relevant Pricing Supplement.

j) ***Maximum Number of Warrants Exercisable***

If Warrants are designated as "American Style" or "Bermudan Style" and a Maximum Exercise Number is specified in the relevant Pricing Supplement, then if, following any Exercise Date other than the Expiration Date, the Issuer determines in its sole and absolute discretion that more than the Maximum Exercise Number of Warrants of a Series or Tranche were purportedly exercised on such Exercise Date by a single Holder or a group of Holders acting in concert, then the Issuer may deem the Exercise Date for the first such Quota of such Warrants thus exercised to be such date, and the Exercise Date for each Quota of Warrants (or part of a Quota thereof, in the case of the last amount) thus exercised to be each succeeding day thereafter, until all such Warrants exercised on such first Exercise Date by such Holder or group of Holders have been allocated an Exercise Date through this procedure. In any case, where more than the Quota of Warrants of a Series or Tranche are so exercised on the same day by a Holder or group of Holders acting in concert, the order of settlement in respect of such Warrants shall be at the sole and absolute discretion of the Issuer. Notwithstanding the foregoing, the Issuer may, at any time, in its reasonable commercial discretion, accept more than the Quota of Warrants of a Series or Tranche for exercise on any Exercise Date.

k) ***Record Date***

Each payment in respect of:

- (i) a Registered Warrant represented by a Global Security will be paid to the person shown as the Holder in the Register as at the close of business on the clearing system business day before the due date for the payment thereof, unless otherwise specified in the relevant Pricing Supplement (in respect of such Registered Warrant represented by a Global Security, the "**Record Date**"). In

this General Condition 11.3k)(i), "**clearing system business day**" means, in relation to Euroclear and Clearstream, Luxembourg, each day which is not a Saturday or a Sunday, 25 December or 1 January, and, in relation to any other Relevant Clearing System, each day on which such Relevant Clearing System is open for business;

- (ii) a Registered Warrant in definitive form will be paid to the person shown as the Holder in the Register at the close of business on the fifteenth day before the due date for the payment thereof (in respect of such Registered Warrant in definitive form, the "**Record Date**"). Where payment in respect of a Registered Warrant in definitive form is to be made by cheque, the cheque will be mailed to the address of the Holder appearing in the Register (or to the first-named of joint holders);
- (iii) a Swedish Warrant shall be made to the Holders registered as such on the fourth business day (as defined by the then applicable Swedish CSD Rules) before the due date for such payment, or on such other business day falling closer to the due date as then may be stipulated in the Swedish CSD Rules (in respect of Swedish Warrants, the "**Swedish Record Date**") and will be made in accordance with the Swedish CSD Rules and shall in all cases be made outside the United States; and
- (iv) a Swiss Warrant (other than Swiss Warrants in definitive form) shall be made to the Holder on the due date for such payment.

F. PROVISIONS APPLICABLE TO NOTES, WARRANTS AND CERTIFICATES

12. Business Day

12.1 Business Day Convention

If any date referred to in these General Conditions or the relevant Pricing Supplement that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date (if any) shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

12.2 Payments on Payment Days

If the date for payment of any amount in respect of any Security is not a Payment Day, the Holder shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other sum in respect of such postponed payment. For these purposes, "**Payment Day**" means any day which is:

- a) 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 each Additional Financial Centre (if any) specified in the relevant Pricing Supplement; and
- b) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which TARGET2 is open.

13. **Payment Disruption**

13.1 **Occurrence of a Payment Disruption Event**

In the event that the Calculation Agent, at any time and from time to time, determines in its reasonable commercial discretion that a Payment Disruption Event has occurred or is likely to occur, then the Calculation Agent shall as soon as practicable notify the Holders of the relevant Securities of the occurrence of a Payment Disruption Event in accordance with General Condition 25 (*Notices*).

13.2 **Consequences of a Payment Disruption Event**

Upon the occurrence of a Payment Disruption Event:

a) ***Extension of relevant dates***

The Interest Payment Date, the Maturity Date, the Exercise Date, the Redemption Date, the Coupon Payment Date, the Settlement Date or any other date on which the Securities may be exercised or redeemed or any amount shall be due and payable in respect of the relevant Securities shall, subject to General Condition 13.2d) (*Payment Event Cut-off Date*), be extended to a date falling 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with General Condition 25 (*Notices*)) after the date on which the Payment Disruption Event is no longer occurring and notice thereof shall be given to the relevant Holders in accordance with General Condition 25 (*Notices*).

b) ***Obligation to pay postponed***

The Issuer's obligation to pay the Settlement Amount, Exercise Amount, Interest Amount, Coupon Amount, Final Redemption Amount, Redemption Amount or any such other amounts in respect of the relevant Securities or deliver any relevant Reference Asset, subject to General Condition 13.2d) (*Payment Event Cut-off Date*), shall be postponed until 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with General Condition 25 (*Notices*)) after the date on which the Payment Disruption Event is no longer operating. Notwithstanding the foregoing, the Issuer may, in its reasonable commercial discretion, elect to satisfy in part its obligation to pay the amounts as may be due and payable under the relevant Securities by making a partial payment(s) or partial deliveries, as the case may be (the "**Partial Distributions**"). Any Partial Distribution made by the Issuer to the Holders will be calculated and/or determined by the Calculation Agent in its reasonable commercial discretion and shall be paid and/or delivered to the Holders *pro rata* to the proportion of the Securities of the same series held by the relevant Holder. In the event that any Partial Distribution is made by the Issuer, the Calculation Agent may, in its reasonable commercial discretion, make any such corresponding adjustment to any variable relevant to the settlement, redemption or payment terms of the relevant Securities as it deems necessary and shall notify the relevant Holders thereof in accordance with General Condition 25 (*Notices*).

c) ***Payments net of expenses***

Notwithstanding any provisions to the contrary, (a) any payments made in accordance with this General Condition 13.2 shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) and (b) a Holder shall not be entitled to any payment, whether of interest or otherwise, on the Securities in the event of any delay which may occur in the payment of any amounts due and payable under the Securities as a result of the operation of this General Condition 13.2 and no liability in respect thereof shall attach to the Issuer.

d) ***Payment Event Cut-off Date***

In the event that a Payment Disruption Event is still occurring on the Payment Event Cut-off Date, then the Interest Payment Date, the Maturity Date, the Exercise Date, the Redemption Date, the Settlement Date, the Coupon Payment Date or any other date for the relevant Securities in respect of which Reference Assets would otherwise be due to be delivered or redemption amounts in relation to any of the Securities would otherwise be due and payable but for the occurrence of such Payment Disruption Event (as the case may be) shall be deemed to fall on the Payment Event Cut-off Date. In such

circumstances, the Holder will not receive any amounts or Reference Assets. Thereafter, the Issuer shall have no obligations whatsoever under the Securities.

14. **Physical Settlement**

14.1 **Physical Settlement in respect of Securities**

If the relevant Pricing Supplement specifies "Physical Settlement" to be applicable, in order to obtain delivery of the Reference Asset Amount(s) in respect of such Security, the relevant Holder must deliver, in writing or by tested telex and not later than the close of business in each place of receipt on the relevant Physical Settlement Cut-Off Date, to (i) if the Securities are represented by a Global Security, the Relevant Clearing System, or (ii) if the Securities are in definitive form, any Paying Agent, with a copy to each of the Issuer, the Relevant Programme Agent and the Delivery Agent, a duly completed Reference Asset Transfer Notice. The foregoing requirement shall not apply to Swiss Securities or to German Securities save, in the case of German Securities, where Reference Asset Transfer Notice is specified to be applicable in the relevant Pricing Supplement.

The delivery of the Reference Asset Amount(s) shall be made (i) if practicable and in respect of Securities represented by a Global Security, to the Relevant Clearing System for the credit of the account of the Holder (or, in the case of German Securities or Swiss Securities, the relevant accountholder in the Relevant Clearing System), (ii) in the manner specified in the relevant Pricing Supplement or (iii) in such other commercially reasonable manner as the Issuer shall determine to be appropriate for such delivery and shall notify to the Holders in accordance with General Condition 25 (*Notices*).

No delivery and/or transfer of any Reference Asset Amount(s) shall be made until all Delivery Expenses arising from the delivery and/or transfer of any Reference Asset Amount(s) have been paid to the satisfaction of the relevant Issuer by the relevant Holder.

14.2 **Reference Asset Transfer Notice**

a) ***Verification of details in a Reference Asset Transfer Notice***

Upon receipt of a Reference Asset Transfer Notice, in the case of (i) Securities represented by a Global Security, the Relevant Clearing System or (ii) Securities in definitive form, the Relevant Programme Agent, shall verify that the person specified therein as the Holder is the holder of the specified principal amount of Notes or, as the case may be, number of Warrants or Certificates according to its books.

b) ***No Withdrawal of Reference Asset Transfer Notice***

No Reference Asset Transfer Notice may be withdrawn after (i) in the case of Global Securities, receipt thereof by the Relevant Clearing System or (ii) in the case of Securities in definitive form, receipt thereof by the Relevant Programme Agent. After delivery of a Reference Asset Transfer Notice, the relevant Holder may not transfer the Securities which are the subject of such notice.

c) ***Failure to properly to complete a Reference Asset Transfer Notice***

Failure properly to complete and deliver a Reference Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these General Conditions shall be made (i) in the case of Securities represented by a Global Security, by the Relevant Clearing System, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Holder and (ii) in the case of Securities in definitive form, by the Relevant Programme Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Holder. The relevant Issuer may determine, in its reasonable commercial discretion, whether to waive the requirement to deliver a properly completed Reference Asset Transfer Notice prior to the Physical Settlement Cut-Off Date in order for such Holder to receive the Interest Amount, Coupon Amount, Final Redemption Amount, Redemption Amount or Settlement Amount, as applicable, by obtaining delivery of the Reference Asset Amount in respect of such Securities and shall give notice of such waiver to the Relevant Clearing System (if applicable), and to each of the Paying Agents, the Relevant Programme Agent, the Calculation Agent and the Delivery Agent.

d) ***Failure to provide a Certification or the applicable representations in a Reference Asset Transfer Notice***

If the Equity Certification to be given where the Holder may receive shares in a company, a Non-U.S. Certification or, as the case may be, an Eligible Investor Certification (in each case in the form set out in the Reference Asset Transfer Notice) are not provided by the relevant Physical Settlement Cut-Off Date, the Issuer may, instead of delivering, or having delivered on its behalf, the Reference Asset Amount, satisfy its obligations in respect of the relevant Security by payment to the relevant Holder of a cash amount, calculated by the Calculation Agent in good faith and in a commercially reasonable manner to represent the fair market value of the Reference Assets comprising such Reference Asset Amount on such day as shall be selected by the Issuer in good faith and in a commercially reasonable manner adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any relevant Share or other instruments or assets of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements).

14.3 Delivery of Reference Asset Amount

Subject as provided in this General Condition 14, in relation to each Security which is to be redeemed or satisfied by delivery of a Reference Asset Amount, provided, if required, that the Reference Asset Transfer Notice is duly delivered not later than the close of business in each place of receipt on the relevant Physical Settlement Cut-Off Date, the Reference Asset Amount will be delivered on behalf of the Issuer by the Delivery Agent at the risk of the relevant Holder in the manner provided above on, or as soon as reasonably practicable after, the Interest Payment Date, Coupon Payment Date, Settlement Date or the Maturity Date (or, if any such date is not a business day, on the next following business day), as the case may be (each such date, subject to adjustment in accordance with this General Condition 14, a "**Delivery Date**").

Subject as provided in this General Condition 14, in relation to each Security which is to be redeemed or satisfied by delivery of a Reference Asset Amount, if a Reference Asset Transfer Notice is duly delivered later than the close of business on the relevant Physical Settlement Cut-Off Date in each place of receipt, then the Issuer may deliver the Reference Asset Amount as soon as practicable after the relevant Interest Payment Date, Coupon Payment Date, Settlement Date or the Maturity Date, as the case may be (in which case, such date of delivery shall be the relevant Delivery Date). In such circumstances, the Holder shall not be entitled to any payment, whether of interest or otherwise, in the event that it receives delivery of the Reference Asset Amount after the Delivery Date, and no liability in respect thereof shall attach to the Issuer or to the Delivery Agent.

14.4 Dividends or other distributions

Where the Reference Asset Amount comprises Shares, any dividend or other distribution in respect of such Reference Asset Amount will be payable to the party that would receive such dividend or other distribution according to market practice for a sale of the Share executed on the Interest Payment Date, Coupon Payment Date, Settlement Date or the Maturity Date, as the case may be, and to be delivered in the same manner as the Reference Asset Amount. Any such dividend or other distribution to be paid to a Holder shall be paid to the account specified in the relevant Reference Asset Transfer Notice or, in the case of Swiss Securities or German Securities (in respect of German Securities, unless a Reference Asset Transfer Notice is specified to be applicable in the relevant Pricing Supplement), to the Relevant Clearing System for the credit of the account of the relevant accountholder in the Relevant Clearing System.

14.5 Residual Cash Amount

Where the Reference Asset Amount comprises, in the sole and absolute determination of the Issuer, fractions of Reference Assets, the Holders will receive a Reference Asset Amount comprising of the nearest number (rounded down) of Reference Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Reference Asset Amounts, unless otherwise specified in the relevant Pricing Supplement), and, if specified in the relevant Pricing Supplement, the Holders will also receive a Residual Cash Amount (if any) in respect of each Security capable of being paid by the Issuer (taking

into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of paying the Residual Cash Amounts, unless otherwise provided in the relevant Pricing Supplement).

14.6 Settlement Disruption Event

a) *Postponement of Delivery Date*

If a Settlement Disruption Event prevents delivery of a Reference Asset Amount on a Delivery Date, then the Delivery Date will be the first succeeding date on which delivery of the Reference Asset Amount can take place through the Relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the eight Clearing System Business Days immediately following the original date that, but for the occurrence of the Settlement Disruption Event, would have been the Delivery Date. In that case, (i) if such Reference Asset Amount can be delivered in any other commercially reasonable manner (in the opinion of the Calculation Agent, acting in good faith and in a commercially reasonable manner), then the Delivery Date will be the first date on which settlement of a sale of the Reference Assets comprising the Reference Asset Amount executed on that eighth Clearing System Business Day customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the Relevant Clearing System for the purposes of delivery of the relevant Reference Asset Amount), and (ii) if such Reference Asset Amount cannot be delivered in any other commercially reasonable manner (in the opinion of the Calculation Agent, acting in good faith and in a commercially reasonable manner), then the Delivery Date will be postponed until delivery can be effected through the Relevant Clearing System or in any other commercially reasonable manner.

b) *Application of Settlement Disruption Event in respect of Securities referencing a basket of Shares*

Where the Securities relate to a basket of Shares, if as a result of a Settlement Disruption Event some but not all of the Shares comprised in the basket of Shares are affected, the Delivery Date for Shares not affected by the Settlement Disruption Event will be the original Delivery Date and the Delivery Date for the Shares that are affected by the Settlement Disruption Event shall be determined as provided above. In the event that a Settlement Disruption Event will result in the delivery on a Delivery Date of some but not all of the Shares comprised in a basket of Shares, the Calculation Agent shall determine the appropriate *pro rata* portion of the amount payable to be paid to each Holder in respect of that partial settlement (provided that the obligation to make any such payment, including the date on which such payment is made and whether such payment is made, shall be subject to General Condition 13 (*Payment Disruption*)).

c) *No liability for delayed settlement*

A Holder shall not be entitled to any payment, whether of interest or otherwise, on the Security in the event of any delay in the delivery of the Reference Asset Amount pursuant to this General Condition 14.6 and no liability in respect thereof shall attach to the Issuer or the Delivery Agent.

d) *Disruption Cash Settlement Price*

For so long as delivery of the Reference Asset Amount is not practicable by reason of a Settlement Disruption Event pursuant to the terms of this General Condition 14.6, then notwithstanding that Physical Settlement is specified to be applicable in the relevant Pricing Supplement, or any other provision hereof, the Issuer may elect in its reasonable commercial discretion to satisfy its obligations in respect of the relevant Security by payment to the relevant Holder of the Disruption Cash Settlement Price not later than on the third Clearing System Business Day following the date that the notice of such election is given to the Holders in accordance with General Condition 25 (*Notices*) (provided that the obligation to make any such payment, including the date on which such payment is made and whether such payment is made, shall be subject to the provisions of General Condition 13 (*Payment Disruption*)). Payment of the relevant Disruption Cash Settlement Price will be made (i) in such manner as shall be notified to the Holders in accordance with General Condition 25 (*Notices*) or (ii) in respect of Securities which are represented by a Global Security or Swiss Securities issued in uncertificated form and if practicable, to the Relevant Clearing System for the credit of the account of the relevant accountholder in the Relevant Clearing System.

e) *Intervening Period*

If during the period of time after the Interest Payment Date, Coupon Payment Date, Settlement Date or Maturity Date, as the case may be, and the Delivery Date (the "**Intervening Period**"), the Issuer or any subsidiary or affiliate of the Issuer or any other entity acting on behalf of the Issuer is the legal owner of any securities that may comprise a part of any Reference Assets whether owned in connection with such entity's hedge of its obligations, directly or indirectly, under the Securities or otherwise held in its normal course of business, neither the Issuer nor any of its subsidiaries or affiliates or such other entities shall be under any obligation or liability to any Holder in respect of such Reference Assets, including (i) any obligation to deliver or procure delivery to the relevant Holder or any subsequent beneficial owner of such Securities, any letter, certificate, notice, circular or any other document or payment (including any interest, dividend or any other distribution) in respect of any Reference Asset(s) whatsoever received by the Issuer or any of its subsidiaries or affiliates or any such other entities in its capacity as the holder of such Reference Asset(s), (ii) any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Reference Asset(s) during the Intervening Period or (iii) any liability to the relevant Holder, as the case may be, or any subsequent beneficial owner of such Securities in respect of any loss or damage which the relevant Holder, as the case may be, or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such Securities during such Intervening Period.

15. Events of Default

15.1 Occurrence of Event of Default

"Event of Default" means the occurrence of any one or more of the following events:

a) ***Failure to pay Instalment Amount, Early Payment Amount, Final Redemption Amount, Redemption Amount or Settlement Amount***

The relevant Issuer, or failing whom, the Guarantor (if any) does not pay any Instalment Amount, Early Payment Amount, Final Redemption Amount, Redemption Amount or Settlement Amount, as applicable, in respect of the Securities when the same is due and payable or deliver any Reference Asset Amount and/or pay any Residual Cash Amount in respect of any Securities when the same is deliverable, and such failure continues for 30 days; or

b) ***Failure to pay interest on Notes or coupon amount on Certificates***

The relevant Issuer, or failing whom, the Guarantor (if any) does not pay interest on any of the Notes or a coupon amount on any of the Certificates when the same is due and payable, and such failure continues for 30 days; or

c) ***Insolvency of JPMSP or repudiation of JPMorgan Chase Bank, N.A. Guarantee***

In respect of Securities issued by JPMSP:

- (i) the Issuer applies for suspension of payments (*surséance van betaling*) or has been declared bankrupt (*failliet verklaard*), in both cases within the meaning of the Netherlands Bankruptcy Act (*Faillissementswet*), or has become subject to analogous proceedings under the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*) and, in each case, any such proceedings remain unstayed and in effect for a period of 90 consecutive calendar days; or
- (ii) an order is made by any competent court or an effective resolution passed for the winding-up or dissolution of JPMSP or JPMSP ceases or threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Holders (provided that, where the relevant event also comes within the terms of paragraph (i) above, then the terms of paragraph (i) above shall prevail over the terms of this paragraph (ii)); or
- (iii) the JPMorgan Chase Bank, N.A. Guarantee is not (or is claimed by JPMorgan Chase Bank, N.A. not to be) in full force and effect; or

d) ***Insolvency of JPMBD or repudiation of JPMorgan Chase & Co. Guarantee***

In respect of Securities issued by JPMBD:

- (i) a court having jurisdiction enters a decree or order for relief in respect of JPMBD in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoints a receiver, examiner, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of JPMBD or of all or substantially all of its property, or orders the winding-up or liquidation of its affairs, and such decree or order having remained unstayed and in effect for a period of 90 consecutive days; or
- (ii) an order is made by any competent court or an effective resolution passed for the winding-up or dissolution of JPMBD or JPMBD ceases or threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Holders (provided that, where the relevant event also comes within the terms of paragraph (i) above, then the terms of paragraph (i) above shall prevail over the terms of this paragraph (ii)); or
- (iii) the JPMorgan Chase & Co. Guarantee is not (or is claimed by JPMorgan Chase & Co. not to be) in full force and effect; or

e) ***Insolvency of JPMI or repudiation of JPMorgan Chase & Co. Guarantee***

In respect of Securities issued by JPMI:

- (i) a court having jurisdiction enters a decree or order for relief in respect of JPMI in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoints a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of JPMI or of all or substantially all of its property, or orders the winding-up or liquidation of its affairs, and such decree or order having remained unstayed and in effect for a period of 90 consecutive days; or
- (ii) an order is made by any competent court or an effective resolution passed for the winding-up or dissolution of JPMI or JPMI ceases or threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Holders (provided that, where the relevant event also comes within the terms of paragraph (i) above, then the terms of paragraph (i) above shall prevail over the terms of this paragraph (ii)); or
- (iii) the JPMorgan Chase & Co. Guarantee is not (or is claimed by JPMorgan Chase & Co. not to be) in full force and effect; or

f) ***Insolvency of JPMorgan Chase & Co.***

In respect of Securities issued by JPMorgan Chase & Co., JPMBD or JPMI:

- (i) a court having jurisdiction in the premises enters a decree or order for relief in respect of JPMorgan Chase & Co. in an involuntary case under any applicable United States federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, and such decree or order remains unstayed and in effect for a period of 90 consecutive days; or
- (ii) JPMorgan Chase & Co. commences a voluntary case under any applicable United States federal or state bankruptcy, insolvency or other similar law now or hereafter in effect or consent to the entry of an order for relief in an involuntary case under any such law; or

g) ***Insolvency of JPMorgan Chase Bank, N.A.***

In respect of Securities issued by JPMorgan Chase Bank, N.A. or JPMSP:

- (i) a decree or order of a court or supervisory authority having jurisdiction in the premises for the appointment of a receiver, liquidator, trustee, assignee, custodian, sequestrator or other similar official of JPMorgan Chase Bank, N.A., or of all or substantially all of the property of JPMorgan Chase Bank, N.A., or for the winding-up or liquidation of the affairs of JPMorgan Chase Bank, N.A., has been entered, and such decree or order remains unstayed and in effect for a period of 90 consecutive days; or
- (ii) JPMorgan Chase Bank, N.A. consents to the appointment of, or the taking possession by, a receiver, liquidator, trustee, assignee, custodian, sequestrator, or similar official of JPMorgan Chase Bank, N.A., or of all or substantially all of the property of JPMorgan Chase Bank, N.A.

15.2 Consequences of an Event of Default

If an Event of Default has occurred and is continuing, (i) the Holder of any Note may give written notice to the Issuer and the Relevant Programme Agent at their specified offices declaring such Note to be immediately repayable (or in the case of Norwegian Notes, Swedish Notes and Finnish Notes, on such later date on which the relevant Notes have been transferred to the account designated by the Relevant Programme Agent and blocked for further transfer by said Agent (such date will be the first date of a closed period for the purposes of General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*)) and (ii) the Holder of any Warrant or Certificate may by written notice to the Issuer and the Relevant Programme Agent, declare such Warrant or Certificate to be immediately repayable, in each case at the Early Payment Amount, unless the Event of Default shall have been cured by the Issuer or waived by the Holders prior to receipt of such notice by the Issuer and the Relevant Programme Agent.

16. Early Redemption or Termination for Illegality

The Issuer may, at its option, redeem or terminate the Securities early (on giving not less than seven nor more than 30 days' irrevocable notice to the Holders (or such other notice period as may be specified in the relevant Pricing Supplement)) in the event that it determines in good faith in its sole and absolute discretion that (i) its performance of its obligations under the terms of the Securities or (ii) (if applicable) the performance by the Guarantor under the Guarantee, has become unlawful in whole or in part as a result of (x) any change in financial, political or economic conditions or currency exchange rates, or (y) compliance in good faith by the Issuer or any relevant subsidiaries or affiliates with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative or judicial authority or power or in interpretation thereof (such event, a "**Termination Event**").

In the event of an early redemption or termination of the Securities following a Termination Event, the Issuer will cause to be paid to each Holder in respect of each such Security held by it the Early Payment Amount.

17. Taxation and Early Redemption or Termination for Taxation

17.1 Obligation to pay Additional Amounts

Subject to the deduction of any Delivery Expenses or Expenses in accordance with these General Conditions, payments of principal and interest on the Securities will be made without deduction or withholding for or on account of any present or future tax, assessment or other governmental charge, of whatever nature, imposed or levied on such payment by or within the Relevant Jurisdiction, except as required by law or under an agreement with the relevant taxing authority or in connection with an intergovernmental agreement. In that case, unless the relevant Pricing Supplement specifies "Gross Up" not to be applicable or the relevant Pricing Supplement specifies "Exclude Section 871(m) Taxes from Gross Up" to be applicable in respect of taxes imposed pursuant to Section 871(m) of the Code, the Issuer or, as the case may be, the Guarantor will, subject to certain limitations and exceptions set forth below in General Condition 17.2 (*Circumstances in which Additional Amounts will not be paid*), pay to a Holder of Securities such additional amounts ("**Additional Amounts**") as may be necessary so that every net payment by the Issuer or the Guarantor or any of their Paying Agents of principal or interest with respect to the Securities after deduction or withholding for or on account of any such present or future tax, assessment or other governmental charge on such payment imposed by or within a Relevant Jurisdiction upon such Holder (other than with respect to a Holder that is a resident of such Relevant

Jurisdiction), will not be less than the amount provided for in such Securities to be then due and payable.

17.2 Circumstances in which Additional Amounts will not be paid

Neither the Issuer nor the Guarantor will be required to make any payment of Additional Amounts for or on account of:

- a) any tax, assessment or other governmental charge or withholding required by law or under an agreement with a taxing authority which would not have been so imposed but for (A) the existence of any present or former connection between such Holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Holder, if such Holder is an estate, a trust, a partnership or a corporation) and the Relevant Jurisdiction including, without limitation, such Holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been present therein, being or having been a citizen or resident thereof, being or having been engaged in a trade or business therein or having had a permanent establishment therein, or (B) the failure of such Holder, any agent in the chain of custody over the payment, or the beneficial owner to comply with any certification, identification or information reporting requirements to establish entitlement to exemption from or reduction of such tax, assessment or other governmental charge;
- b) any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;
- c) any tax, assessment or other governmental charge which is payable other than by withholding from payments of principal of or interest on such Security;
- d) in respect of any Securities issued by JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co., any tax, assessment or other governmental charge imposed by reason of such Holder's past or present status as a personal holding company, private foundation or other tax exempt organisation, passive foreign investment company, controlled foreign corporation with respect to the United States; a dealer in securities, commodities or currency or a corporation that accumulates earnings to avoid United States federal income tax;
- e) in respect of any Rule 144A Security issued by JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co., any U.S. withholding taxes imposed on such Security;
- f) in respect of any Security issued by JPMI, any withholding taxes imposed by the United States or a political subdivision thereof;
- g) any tax, assessment or other governmental charge which is required to be withheld by a Paying Agent from payments of principal or of interest on any Security, if such payment can be made without such withholding by at least one other Paying Agent;
- h) in respect of any Securities issued by JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co., any tax, assessment or other governmental charge imposed by reason of (i) such Holder's past or present status as the actual or constructive owner of ten per cent. or more of the total combined voting power of all classes of stock of such Issuer that is entitled to vote, (ii) such Holder being a bank receiving interest described in Section 881(c)(3)(A) of the Code, (iii) such Holder being a controlled foreign corporation that is treated as a "related person" (within the meaning of the Code) with respect to the Issuer, or (iv) such Holder being within a foreign country in which the United States Secretary of the Treasury determines that the exchange of information between the United States and such foreign country is inadequate under Section 871(h)(6) of the Code to permit the interest paid to such person to constitute portfolio interest under either Section 871(h) or Section 881(c) of the Code;
- i) in respect of any Securities, any tax, assessment, or other governmental charge payable by a Holder, or by a third party on behalf of a Holder, who is liable for such taxes, assessments or governmental charges in respect of any Security by reason of the Holder or the third party's having some connection with the Relevant Jurisdiction other than the mere holding of the Security;

- j) any tax assessment, or other governmental charge payable by way of withholding or deduction by a Holder, or by a third party on behalf of a Holder, who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security (or the registered certificate representing it) is presented for payment;
- k) the presentation (where presentation is required) of a Security for payment on a date more than ten days after the Relevant Date or the date on which such payment is fully provided for, whichever occurs later;
- l) where such withholding or deduction is imposed on a payment to an individual or other entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
- m) any tax required to be withheld or deducted from a payment pursuant to laws enacted by Switzerland providing for the taxation of payments according to principles similar to those laid down in the European Council Directive 2003/48/EC or in the draft legislation proposed by the Swiss Federal Council on 22 December 2010, in particular the principle to have a person other than the Issuer or Guarantor withhold or deduct tax, including, without limitation, any paying agent;
- n) any Security presented for payment by or on behalf of a Holder who would be able to avoid such withholding or deduction by presenting the relevant Security to another Paying Agent in a European Union Member State;
- o) in the case of German Securities, any taxes, duties, or other governmental charges payable by any person acting as a custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer or the Guarantor (if any) from payments of principal or interest made by it;
- p) any withholding or deduction imposed, pursuant to FATCA, on payments to a Holder, beneficial owner, or any agent having custody or control over a payment made by the Issuer, Guarantor or any agent in the chain of payment;
- q) any withholding or deduction imposed under Section 871(m) of the Code, if, in the reasonable judgment of the Issuer, withholding would not have been imposed but for the Holder or beneficial owner (or a related party thereof) (a) engaging in a transaction (other than the mere purchase of the Security (whether or not in connection with the acquisition, holding or disposition of the Security)) that establishes the withholding obligation, (b) failing to take reasonable measures to secure a refund of the withholding taxes to which it is entitled or (c) failing to establish an exemption or reduced rate of withholding, including, under the benefits of an applicable treaty; or
- r) any combination of the above (as applicable),

nor shall Additional Amounts be paid with respect to a payment of principal or interest on any Security to a Holder that is not the beneficial owner of such Security to the extent that the beneficial owner thereof would not have been entitled to the payment of such Additional Amounts had such beneficial owner been the Holder of such Security.

17.3 Early Redemption or Termination for Taxation – FATCA

The relevant Issuer may, at its option, redeem or terminate (as applicable) some or all of the Securities (on giving not less than seven or more than 30 days' irrevocable notice to Holders (or such other notice period as may be specified in the relevant Pricing Supplement)) in the event that the Issuer determines in good faith that:

- a) it has, or there is a substantial likelihood that it will, become subject to withholding imposed on a payment made to it on account of the Issuer's inability to comply with the reporting requirements imposed by FATCA, provided that (1) such inability to comply with the reporting requirements is attributable to non-compliance by any Holder of such Securities (or a withholding agent (if any) in the chain of custody of payments made to the Holders) with the Issuer's requests for certifications, beneficial ownership information or identifying information and (2) (in the reasonable determination of the Issuer) compliance with the reporting requirements would (or there is a substantial likelihood that it would) preclude such withholding;
- b) there is a substantial likelihood that it will otherwise violate any requirement of, or an agreement entered into with a taxing authority with respect to, FATCA; or
- c) there is a substantial likelihood that the Securities will be treated, for U.S. federal income tax purposes, as being in bearer form,

each such event, a "**Tax Termination Event**".

Upon the occurrence of a Tax Termination Event described in paragraphs (a) or (b), Securities held by compliant Holders, in addition to those held by non-compliant Holders, may be redeemed or terminated. Upon a Tax Termination Event described in paragraph (c), all of the Securities of such Series will be redeemed or terminated.

In the event of an early redemption or termination of the Securities following a Tax Termination Event, the Issuer will cause to be paid to each such Holder in respect of each such Security held by it the Early Payment Amount.

17.4 Early Redemption or Termination for Taxation – Additional Amounts/Underlying Hedge Transactions

The Securities may be redeemed or terminated (as applicable) at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 calendar days' notice to the Holders (which notice shall be irrevocable), at their Early Payment Amount, where:

- a) the Issuer (or the Guarantor, as the case may be) has or will (or there is a substantial likelihood that it will) become obliged to pay Additional Amounts as provided or referred to in General Condition 17.1 (*Obligation to Pay Additional Amounts*); or
- b) in respect of Securities issued by JPMSP or JPMBD, if "Early Redemption for Tax on Underlying Hedge Transactions" is specified as applicable in the relevant Pricing Supplement, an Underlying Hedge Entity has incurred or will (or there is a substantial likelihood that it will) incur a materially increased tax cost in performing its obligations in relation to the Underlying Hedge Transactions (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position with respect to an Underlying Hedge Tax Jurisdiction),

in each case (x) as a result of (I) any action taken by a Relevant Jurisdiction, Underlying Hedge Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax or brought in a court of competent jurisdiction on or after the Issue Date; or (II) the proposal, adoption, finalisation or expiration of any laws, regulations, or administrative guidance of a Relevant Jurisdiction, Underlying Hedge Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in, or amendment to (or proposed change or amendment to) proposed or final laws, regulations, or administrative guidance, or any change in the application or official interpretation of proposed or final laws, regulations or administrative guidance (including by inaction, such as the failure to finalise proposed regulations or administrative guidance), which proposal, adoption, finalisation, expiration, change or amendment becomes effective on or after the Issue Date or with respect to payments made on or after the Issue Date; and (y) such obligation or tax cost cannot be avoided by the Issuer, Guarantor or Underlying Hedge Entity (as applicable) taking reasonable measures available to it,

PROVIDED THAT the Securities may be redeemed by giving less than 30 calendar days' or more than 60 calendar days' notice to the Holders (which notice shall be irrevocable) if compliance with the 30

calendar day minimum or 60 calendar day maximum notice period would (or there is a substantial likelihood that compliance would) cause the Issuer or Guarantor (as applicable) to become obligated to pay Additional Amounts or cause an Underlying Hedge Entity to incur a materially increased tax cost in performing its obligations in relation to the Securities.

Before the publication of any notice of redemption pursuant to this General Condition 17.4, the Issuer shall deliver to the Relevant Programme Agent a certificate duly signed by 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 an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will (or there is a substantial likelihood that it will) become obliged to pay Additional Amounts or that an Underlying Hedge Entity has incurred or will (or there is a substantial likelihood that it will) incur a materially increased tax cost in performing its obligations in relation to the Underlying Hedge Transactions, in each case as a result of such action, proposal, adoption, finalisation, expiration, change, or amendment.

For the purposes of this General Condition 17.4, the term "Relevant Jurisdiction" shall also include any jurisdiction that enters into an intergovernmental agreement with the United States in furtherance of FATCA.

18. Agents

18.1 Status of Agents

The Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations or duty to, or relationship of agency or trust for or with, any Holder.

18.2 Variation or termination of appointment of Agents

The Issuer and the Guarantor, if applicable, reserve the right at any time to vary or terminate the appointment of any Agents and to appoint other or additional Agents, provided that at all times the following shall be maintained:

- a) a Relevant Programme Agent;
- b) a Registrar in respect of all Registered Securities;
- c) a Transfer Agent in respect of all Registered Securities (other than French Registered Securities, Danish Notes, Finnish Securities, Norwegian Securities, Swedish Securities and Swiss Securities);
- d) one or more Calculation Agent(s) and Delivery Agent(s) where these General Conditions so require;
- e) a Paying Agent having its specified office in Luxembourg so long as the Securities are listed on the Official list and admitted to trading on the Luxembourg Stock Exchange's Euro MTF, and the applicable rules so require;
- f) a Danish Programme Agent (and such Danish Programme Agent shall be a Paying Agent in respect of Danish Notes), so long as any Danish Notes are outstanding, a Finnish Programme Agent (and such Finnish Programme Agent shall be a Paying Agent in respect of Finnish Securities), so long as any Finnish Securities are outstanding, a Swedish Programme Agent (and such Swedish Programme Agent shall be a Paying Agent in respect of Swedish Securities) and a Swedish CSD, so long as any Swedish Securities are outstanding and a Norwegian Programme Agent (and such Norwegian Programme Agent shall be a Paying Agent in respect of Norwegian Securities), so long as any Norwegian Securities are outstanding;
- g) a French Programme Agent (and such French Programme Agent shall be a Paying Agent in respect of French Securities), so long as French Securities are cleared through Euroclear France;

- h) a German Programme Agent (and such German Programme Agent shall be a Paying Agent in respect of German Securities), so long as any Securities cleared through Clearstream Frankfurt are outstanding;
- i) a Swiss Programme Agent (and such Swiss Programme Agent shall be a Paying Agent in respect of Swiss Securities) which is a Swiss bank or a Swiss securities dealer supervised by the Swiss Financial Market Supervisory Authority (FINMA), so long as any Swiss Securities listed on SIX Swiss Exchange are outstanding;
- j) such other agents as may be required by any relevant authorities or any other stock exchange on which any Securities may be listed, and the applicable rules of such relevant authority or such other stock exchange so require; and
- k) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

The Agency Agreement contains provisions permitting any entity into which an Agent is merged or converted or with which it is consolidated as to which it transfers all or substantially all of its assets to become the successor agent.

Notice of any such change or any change of any specified office shall promptly be given to the Holders of the affected Securities in accordance with General Condition 25 (*Notices*).

19. Calculation Agent, Determination, Disclaimer of Liability and other terms

19.1 Status of Calculation Agent

The Calculation Agent acts solely as agent of the Issuer and the Guarantor and does not assume any obligations or duty to, or relationship of agency or trust for or with, any Holder. In making any determination or exercising any discretion, the Calculation Agent is not obliged to consider the interests of any Holder.

19.2 Standard of care

Any matter that falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including, where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), shall be decided upon by the Calculation Agent or such other person as the case may be in good faith and in a commercially reasonable manner (unless otherwise explicitly provided), taking into account any market factors and other factors as the Calculation Agent or such other person deems relevant including, without limitation, the cost of unwinding any hedge or related underlying position of the Issuer or its affiliates in respect of its obligations under the Securities.

19.3 Disclaimer of liability

No liability shall attach to the Calculation Agent, any of the Holders, the Issuer, the Guarantor or the other Agents for good faith errors or omissions in the Calculation Agent's calculations and determinations as provided in the Conditions of the Securities, whether caused by negligence or otherwise, and no liability shall attach to any of the Issuer or the Guarantor or any of the other Agents for any calculation or determination made by the Calculation Agent in respect of the Securities.

19.4 Delegation

The calculation functions and other discretionary actions (including, but not limited to duties to make determinations) required of the Calculation Agent may be delegated to any such person as the Calculation Agent, in its sole and absolute discretion, may decide.

19.5 Calculations and determinations all binding

All calculations and determinations made by the Calculation Agent in respect of the Securities shall be final and binding on the Issuer and Holders in the absence of manifest error.

19.6 Two or more Calculation Agents

Where more than one Calculation Agent is appointed in respect of the Securities, references in these General Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions of the Securities.

19.7 Replacement of Calculation Agent

If the Calculation Agent is unable to act as such or if the Calculation Agent fails duly to establish any rate or any amount, whether in cash or in kind, specified in the relevant Pricing Supplement, to make any other required determination or to comply with any of its other obligations, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place provided that if an Event of Default specified in General Condition 15.1c), d), e) or f) (as applicable) has occurred with respect to the Issuer, the Holders may appoint such a replacement in accordance with General Condition 22.1c)(i) (*Majority Consent*) in respect of Securities other than German Securities, and General Condition 22.1e) (*Modification of German Securities with Holder consent*) in respect of German Securities.

20. European Monetary Union

20.1 Redenomination of Notes

Where "Redenomination, Renominalisation and Reconventioning Provisions" is specified to be applicable in the relevant Pricing Supplement, the Issuer may, without the consent of the Holders on giving prior notice to the Relevant Programme Agent, any Relevant Clearing System and at least 30 days' prior notice to the Holders in accordance with General Condition 25 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- a) the Notes shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note equal to the nominal amount of that Note in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Holders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- b) save to the extent that an Exchange Notice has been given in accordance with paragraph (d), the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented for payment by the relevant Holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- c) if Notes in definitive form are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Relevant Programme Agent may approve) euro 0.01 and such other denominations as the Relevant Programme Agent shall determine and notify to the Holders;
- d) if issued prior to the Redenomination Date, the payment obligations of all Notes will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Notes are available for exchange (provided that such securities are so available) and no payments will be made in respect of them, although those Notes will

continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes will be issued in exchange for Notes denominated in the Specified Currency in such manner as the Relevant Programme Agent may specify and as shall be notified to the Holders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

- e) after the Redenomination Date, all payments in respect of the Notes other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
 - (i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and
 - (ii) in the case of Notes in definitive form, by applying the Rate of Interest to the Specified Denomination,
 and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;
- g) if the Notes are Notes other than Floating Rate Notes, the relevant Pricing Supplement will specify any relevant changes to the provisions relating to interest; and
- h) such other changes shall be made to this General Condition 20.1 as the Issuer may decide, after consultation with the Relevant Programme Agent, and as may be specified in the notice, to conform it to conventions applicable to instruments denominated in euro.

20.2 Adjustments to Warrants or Certificates for European Monetary Union

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with General Condition 25 (*Notices*):

- a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Warrants or, as the case may be, the Certificates shall be redenominated in euro.

The election will have effect as follows:

- (i) where the Specified Currency of the Warrants or, as the case may be, Certificates is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Specified Currency shall be deemed to be an amount of euro converted from the original Specified Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Settlement Amount in respect of the Warrants or the Redemption Amount in respect of Certificates, as the case may be, will be made solely in euro as though references in the Warrants or Certificates, as the case may be, to the Specified Currency were to euro; and
 - (ii) such other changes shall be made to these General Conditions as the Issuer may decide, in its reasonable commercial discretion to conform them to conventions then applicable to instruments expressed in euro; and/or
- b) require that the Calculation Agent make such adjustments to the exercise, settlement, payment and/or any other terms of these General Conditions as the Calculation Agent, in its reasonable

commercial discretion, may determine to be appropriate to preserve the economic terms of the Warrants or, as the case may be, Certificates following implementation of the third stage of European Economic and Monetary Union.

Notwithstanding the foregoing, neither the Issuer, any of its affiliates or agents, the Calculation Agent nor any Relevant Programme Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

21. **Rounding**

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified in any applicable Specific Product Provision or the relevant Pricing Supplement):

- a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- b) (subject to (c) below) all figures shall be rounded to the seventh decimal place (with halves being rounded up); and
- c) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency and in the case of euro means euro 0.01.

22. **Meeting of Holders and Modifications**

22.1 **Modifications and Waivers**

a) ***Modification without Holder consent (Securities other than French Securities and German Securities)***

The Issuer may from time to time modify and amend the Securities (other than French Securities and German Securities) (including the Conditions) or the Agency Agreement in each case without the consent of the Holders in accordance with, respectively, this General Condition 22.1a) or the Agency Agreement, in such manner as the Issuer deems necessary or desirable, if the modification or amendment:

- (i) is of a formal, minor or technical nature; or
- (ii) is made to cure a manifest or proven error; or
- (iii) is made to cure any ambiguity, or is made to correct or supplement any defective provisions of the Securities or the Agency Agreement (as applicable); or
- (iv) is made to correct an error or omission such that, in the absence of such correction, the terms of the Securities would not otherwise represent the intended terms of the Securities on which the Securities were sold and have since traded; or
- (v) will not materially and adversely affect the interests of the Holders of the Securities in respect of the Securities.

Any such modification or amendment shall take effect in accordance with its terms and be binding on the Holders and shall be notified to the Holders in accordance with General Condition 25 (*Notices*) as soon as practicable (but failure to give such notice, or non-receipt thereof, shall not affect the validity of such modification or amendment).

b) ***Modification of German Securities without Holder consent***

- (i) The Issuer may in its reasonable discretion, without the consent of the Holders, correct any manifest clerical or calculation errors or similar manifest incorrectness in the Conditions. A clerical or calculation error or similar incorrectness shall be deemed manifest if a Holder who is well-informed in the relevant type of Securities is able to perceive such error, especially when

taking into account the Issue Price and the further factors that determine the value of the Securities. Any corrections within the meaning of this paragraph (i) shall be effective and binding upon notification to the Holders in accordance with General Condition 25 (*Notices*).

- (ii) In addition, the Issuer may, without the consent of the Holders, amend or supplement in its reasonable discretion (*billiges Ermessen*, Section 315 of the German Civil Code ("**BGB**")) any contradictory or incomplete provisions of the Conditions, provided that only amendments and supplements which are reasonably acceptable to the Holder having regard to its interests shall be permitted, i.e. those which do not materially prejudice the interests of the Holders or which, when read together with the other information included in the Offering Circular dated 3 May 2013 of the Issuer and other J.P. Morgan affiliates relating to the Programme (as supplemented from time to time) and the relevant Pricing Supplement, are manifest within the meaning of paragraph (i). Any corrections within the meaning of this paragraph (ii) shall be effective and binding upon notification to the Holders in accordance with General Condition 25 (*Notices*).
 - (iii) In the event of a correction pursuant to paragraph (i) or an amendment or supplement pursuant to paragraph (ii), that adversely affects the Holder, such Holder may terminate its Securities with immediate effect by written termination notice to the Relevant Programme Agent at any time during the period of six weeks following notification of such correction, amendment or supplement. In the notice pursuant to paragraph (i) or paragraph (ii), as applicable, the Issuer shall advise the Holder of its potential termination right at the Early Payment Amount. The termination by the Holder requires the following to be effective: the receipt of a termination notice bearing a legally binding signature and (A) the transfer of the Securities to the account of the Relevant Programme Agent or (B) the irrevocable instruction to the Relevant Programme Agent to withdraw the Securities from a securities account maintained with the Relevant Programme Agent (by transfer posting or assignment), in each case within such six-week period. The termination notice must contain the following information: (A) the name of the Holder, (B) the designation and number of the Securities terminated, and (C) a specification of the bank account to which the Early Payment Amount shall be credited. The termination date for the purposes of this paragraph (iii) shall be the day on which the termination notice or the Securities is/are received by the Relevant Programme Agent, whichever occurs later.
 - (iv) Notwithstanding paragraphs (i) and (ii), the Issuer may call the Securities for redemption in whole, but not in part, by giving notice in accordance with General Condition 25 (*Notices*) if the conditions for avoidance pursuant to Section 119 et seq. BGB are fulfilled in relation to the Holders. The termination date for the purposes of this paragraph (iv) shall be the day on which the notice is given. Notice of termination must be given immediately after the Issuer has gained knowledge of the reason for termination.
 - (v) If an effective termination pursuant to paragraphs (iii) or (iv) has been made, the Issuer will pay the Early Payment Amount per Security to the Holders. The Issuer shall transfer the Early Payment Amount to the Relevant Clearing System for the credit of the account of the relevant holder in the Relevant Clearing System or, in case of termination by the Holder, to the account specified in the termination notice. The provisions of General Condition 12.2 (*Payments on Payment Days*) shall apply *mutatis mutandis*. Upon payment of the Early Payment Amount, all rights arising from the surrendered Securities shall be extinguished. The foregoing shall not affect any rights of the Holder to claim damages (*Ersatz eines Vertrauensschadens*) pursuant to Section 122 para. 1 BGB unless such claims are excluded due to knowledge or negligent lack of knowledge of the reason of termination on the part of the Holder pursuant to Section 122 para. 2 BGB.
 - (vi) The provisions of the BGB on the interpretation (*Auslegung*) and avoidance (*Anfechtung*) of declarations of intent shall remain unaffected. This General Condition 22.1b) shall be without prejudice to any avoidance rights which a Holder may have under general provisions of law.
- c) ***Modification and waiver with Holder consent (Securities other than French Securities and German Securities)***

This General Condition 22.1c) shall not apply to French Securities and German Securities.

- (i) *Majority Consent*: Subject as provided in paragraph (ii) below (and in each case subject to the consent of the Issuer and the Guarantor (if any)), in order to modify and amend the Agency Agreement and the Securities (including the General Conditions), or to waive past Issuer defaults, a resolution in writing signed by the Holders of at least a majority in aggregate principal amount of the Securities at the time outstanding or Holders of a majority in number, or of such lesser percentage as may attend and vote at a meeting of Holders of the Securities held in accordance with the Agency Agreement shall be required.
- (ii) *Consent by Extraordinary Resolution*: Any modification which will:
 - (A) extend the stated maturity of the principal of or any instalment of interest on any such Security or extend the date for expiration, settlement or payment of any coupon in relation to such Security;
 - (B) reduce the principal amount, redemption price of, or settlement price of, or interest on (as applicable), any such Security;
 - (C) change the obligation of the Issuer to pay Additional Amounts;
 - (D) change the currency of payment of such Security or interest thereon;
 - (E) impair the right to institute suit for the enforcement of any such payment on or with respect to any such Security;
 - (F) reduce the percentage in aggregate principal amount of Securities outstanding necessary to modify or amend the Agency Agreement, or to waive any past default; or
 - (G) reduce the voting or quorum requirements or the percentage of aggregate principal amount, redemption price or settlement price of Securities outstanding (in the case of Notes) or number held (in the case of Warrants or Certificates) required to take any other action authorised to be taken by the Holders of a specified principal amount (in the case of Notes) or number held (in the case of Warrants or Certificates) of Securities,

may only be made if sanctioned by an Extraordinary Resolution. A resolution in writing signed or electronically approved using the systems and procedures in place from time to time of a Relevant Clearing System by or on behalf of 75 per cent. or more of Holders of Securities, by reference to their original aggregate principal amount (in the case of Notes) or the number of Securities outstanding (in the case of Warrants and Certificates), who for the time being are entitled to receive notice of a meeting shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Holders of the Securities. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Holders of Securities or may be in the form of SWIFT or other electronic instructions as permitted by the rules and procedures of the Relevant Clearing System, and in each case the date of such resolution shall be the date that such 75 per cent. majority is reached.

d) ***Modification of French Securities***

The Issuer may from time to time amend the Conditions of any French Notes in accordance with General Condition 22.3 (*Meetings of Holders of French Notes (Masse)*) and of French Securities other than French Notes in accordance with General Condition 22.4 (*Meeting of Holders of French Securities (other than French Notes)*).

e) ***Modification of German Securities with Holder consent***

- (i) In accordance with the German Bond Act of 2009 (*Schuldverschreibungsgesetz – "SchVG"*) and the provisions set out in the Appendix (*Provisions regarding Resolutions of Holders of German Securities*) to the General Conditions, the Holders may agree, by resolution with the majority specified in paragraph (ii), with the Issuer on amendments of the Conditions with regard to matters permitted by the SchVG. Majority resolutions shall be binding on all Holders. Resolutions which do not provide for identical conditions for all Holders shall be void, unless

Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

- (ii) Resolutions relating to material amendments to the Conditions, in particular consents to the measures set out in Section 5 paragraph 3, no. 1 to 9 of the SchVG, shall be passed by a majority of not less than 75 per cent. of the votes cast. Resolutions relating to amendments of the Conditions which are not material, require a simple majority of the votes cast. Each Holder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Securities.
- (iii) All votes will be taken exclusively by vote taken without a meeting (*Abstimmung ohne Versammlung*) in accordance with Section 18 of the SchVG. A meeting of Holders and the assumption of the fees by the Issuer for such a meeting will only take place in the circumstances of Section 18 paragraph 4 sentence 2 of the SchVG.
- (iv) The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative (as defined below) has convened the vote, by the Joint Representative.
- (v) If no Joint Representative is designated in the relevant Pricing Supplement, the Holders may by majority resolution appoint a common representative (the "**Joint Representative**") to exercise the rights of the Holders on behalf of each Holder.

In all other cases, the common representative of the Holders shall be the Joint Representative appointed as such in the relevant Pricing Supplement. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.

The Joint Representative shall have the duties and powers conveyed by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert rights of Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The regulations of the SchVG apply with regard to the removal and the other rights and obligations of the Joint Representative.

- (vi) In the case of Securities issued by JPMSP or JPMBD, the provisions set out above applicable to the Securities shall apply *mutatis mutandis* to the Guarantee of JPMorgan Chase Bank, N. A. or JPMorgan Chase & Co., respectively.

22.2 Meetings of Holders (other than Holders of French Securities and German Securities)

The Agency Agreement contains provisions for convening meetings of Holders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these General Conditions or any provisions of the Agency Agreement, as applicable. Such a meeting may be convened by the Issuer (either at its own instigation or on the request of Holders holding at least ten per cent. in aggregate principal amount (in the case of Notes) or number held (in the case of Warrants or Certificates) of Securities outstanding). At a meeting of the Holders of the Securities for the purpose of approving a modification or amendment to, or obtaining a waiver of, any covenant, Condition, Specific Product Provision or the Agency Agreement, the Holders of a clear majority in aggregate principal amount (in the case of Notes) or number held (in the case of Warrants or Certificates) at the time outstanding shall constitute a quorum. In the absence of a quorum at any such meeting, within 30 minutes of the time appointed for such meeting, the meeting may be adjourned for a period of not less than ten days; in the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than ten days; at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to 25 per cent. in aggregate principal amount (in the case of Notes) or number held (in the case of Warrants or Certificates) of the Securities at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution to modify or amend the Conditions or any provisions of the Agency Agreement (other than those items specified in General Condition 22.1c)(ii)(A) to 22.1c)(ii)(G), or to waive compliance with, any of the Conditions shall be effectively passed if passed

by the persons entitled to the lesser of (i) a clear majority in aggregate principal amount (in the case of Notes) or number held (in the case of Warrants or Certificates) of the Securities then outstanding or (ii) 75 per cent. in aggregate principal amount (in the case of Notes) or number held (in the case of Warrants or Certificates) of the Securities represented and voting at the meeting.

22.3 Meetings of Holders of French Notes (Masse)

- (i) If the Pricing Supplement specifies "Not Applicable" with respect to "Representation of Holders of Notes / Masse", the Holders will not, in respect of all Tranches in any Series, be grouped for the defence of their common interests in a masse (in each case, the "**Masse**") and the provisions of this General Condition 22.3 and the provisions of the French *Code de commerce* relating to the Masse shall not apply.
- (ii) If the Pricing Supplement specifies "General Condition 22.3 replaced by the full provisions of French *Code de commerce* relating to the Masse" with respect to "Representation of Holders of Notes / Masse", the Holders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse in accordance with the full provisions of the French *Code de commerce* relating to the Masse.
- (iii) If the Pricing Supplement specifies "Applicable" with respect to "Representation of Holders of Notes / Masse", Holders of French Notes will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a Masse in accordance with this General Condition 22.3. The Masse will be governed by the provisions of the French *Code de commerce* relating to the Masse (with the exception of the provisions of Articles L. 228-48, L. 228-59, R. 228-63, R. 228-67, and R. 228-69 thereof) as summarised and supplemented by the conditions set forth below.

b) **Legal Personality**

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Holders (the "**General Meeting**").

The Masse alone, to the exclusion of all individual Holders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the French Notes.

c) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such a function.

However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Board of Directors (*Conseil d'administration*), their Supervisory Board (*Conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, its employees as well as its ascendants, descendants and spouse; or
- (ii) the Guarantor, and more generally companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding ten per cent. or more of the share capital of the Issuer or companies having ten per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Pricing Supplement. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Pricing Supplement.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Relevant Programme Agents.

d) ***Powers of Representative***

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interest of the Holders.

All legal proceedings against the Holders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

e) ***General Meeting***

As further set out in General Condition 22.3j), a General Meeting may be held at any time, on convocation by, in particular, the Issuer or the Representative. One or more Holders of French Notes, holding together at least one-thirtieth of the principal amount of the French Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under General Condition 25.4 (*Notices to Holders of French Securities*).

Each Holder of French Notes has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the articles of incorporation of the Issuer so specify, videoconference or any other means of telecommunication allowing the identification of the participating Holders of French Notes. Each French Note carries the right to one vote, in the case of French Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such French Note.

f) ***Powers of the General Meetings***

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the French Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase amounts payable by Holders of French Notes, nor establish any unequal treatment between the Holders of French Notes, nor decide to convert French Notes into shares, except in accordance with Article L. 228-106 of the French *Code de commerce*.

General Meetings may deliberate validly on first convocation only if Holders of French Notes present or represented hold at least a fifth of the principal amount of the French Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders of French Notes attending such General Meetings or represented thereat.

In accordance with Article R. 228-71 of the French *Code de commerce*, the rights of each Holder of French Notes to participate in General Meetings will be evidenced by the entries in the books of the

relevant Euroclear France Account Holder of the name of such Holders of French Notes on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

Decisions of General Meetings must be published in accordance with the provisions set forth in General Condition 25.4 (*Notices to Holders of French Securities*).

g) ***Information to Holders***

Each Holder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Relevant Programme Agent during usual business hours and at any other place specified in the notice of the General Meeting.

h) ***Expenses***

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the French Notes.

i) ***Single Masse***

The Holders of French Notes of the same Series, and the Holders of French Notes of any other Tranche which have been consolidated (*assimilées*) with the French Notes of another Series in accordance with General Condition 24 (*Further Issues*), shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of French Notes will be the Representative of the single Masse of all such Series.

j) ***Convening of the General Meeting***

The General Meeting shall be convened in accordance with Article L. 228-58 et seq. of the French *Code de commerce*, i.e. (without prejudice to any law change subsequent to the date of the Agency Agreement) by the relevant representative of the Issuer, by the Representatives of the Masse or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period. One or more Holder of French Notes, together holding at least one-thirtieth of the French Notes of the General Meeting, may submit to the Issuer and to the Representatives of the Masse a request for a meeting to be convened. In the latter case, if the Issuer or the relevant Representatives do not convene the Masse within two months (or within such longer or shorter period of time as may be specified from time by *décret en Conseil d'Etat* or otherwise), the Holder of French Notes requesting the convening of the meeting may bring legal proceedings for the appointment of a representative who shall convene the meeting.

22.4 Meeting of Holders of French Securities (other than French Notes)

The Issuer may convene (either at its own instigation or on the request of Holders of French Warrants or French Certificates holding at least ten per cent. of the number of Warrants or Certificates outstanding by giving notice to Holders of French Warrants or French Certificates in accordance with General Condition 25 (*Notices*)) a meeting of Holders of French Warrants and French Certificates under French law for the purpose of approving a modification or amendment to, or obtaining a waiver of, any covenant, General Condition or Specific Product Provision. The Holders of a clear majority of the number of French Warrants or French Certificates held at the time outstanding shall constitute a quorum. In the absence of a quorum at any such meeting, within 30 minutes of the time appointed for such meeting, the meeting may be adjourned for a period of not less than ten days; in the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than ten days; at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to hold 25 per cent. of the number of French Warrants or French Certificates outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution to modify or amend the Conditions, or to waive compliance with, any of the

Conditions shall be effectively passed if passed by the persons entitled to the lesser of (i) a clear majority of the number of French Warrants or French Certificates then outstanding or (ii) 75 per cent. of the number of French Warrants or French Certificates represented and voting at the meeting.

In addition, a resolution in writing signed by or on behalf of all Holders of French Warrants or French Certificates who are for the time being entitled to receive notice of a meeting of Holders of French Warrants or French Certificates will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or in several documents in the same form, each signed by or on behalf of one or more Holders of French Warrants or French Certificates.

23. **Purchase and Cancellation**

23.1 **Purchase**

The Issuer, the Guarantor in respect of Securities issued by JPMSP, JPMBD or JPMI, and any of their subsidiaries or affiliates may at any time purchase Securities. Purchases may be made at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation, other than French Securities which must be surrendered for cancellation, except if the French Securities are purchased in accordance with and fulfil the requirements of Article L. 213-1A of the French *Code monétaire et financier*. In the latter case, the French Securities may be held for a maximum period of one year after their purchase and shall be cancelled at the expiry of such period.

23.2 **Cancellation**

The obligations of the Issuer and the Guarantor (if any) in respect of Securities surrendered for cancellation shall be discharged following redemption and cancellation of the Securities by the Issuer (together, in the case of Registered Securities in definitive form, by surrendering the registered certificate representing such Securities to the Registrar). French Securities shall be cancelled by being transferred to an account in accordance with the rules of procedures of Euroclear France.

24. **Further Issues**

The relevant Issuer may from time to time without the consent of the Holders create and issue further securities of any Series or Tranche, having the same terms and conditions as the relevant Securities (with the exception of the first Interest Payment Date, the first Coupon Payment Date and the Issue Price of the further securities) (so that, for the avoidance of doubt, references in the conditions of such securities to "**Issue Date**" shall be to the first issue date of the Securities) and so that the same shall be consolidated (with respect to French Securities, *assimilées*) and form a single series with the applicable Securities of that Series or Tranche and references in these General Conditions to "**Securities**" shall be construed accordingly.

25. **Notices**

25.1 **Notices to the Holders of Registered Securities in definitive form**

Notices to the Holders of Registered Securities in definitive form shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

25.2 **Notices to Holders of interests in Global Securities**

For Global Securities representing the Securities that are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, Clearstream Frankfurt, Euroclear France or DTC notices to the Holders of the Securities may be made by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, Clearstream Frankfurt, Euroclear France or DTC for communication by them to the Holders of the Securities. Any such notice shall be deemed to have been given to the Holders of the Securities on the day after the day on which such notice was given to Euroclear and/or Clearstream, Luxembourg, Clearstream Frankfurt, Euroclear France or DTC.

25.3 Notices to Holders of Swiss Securities that are not listed on the SIX Swiss Exchange

Notices to Holders of interests in Swiss Securities that are not listed on the SIX Swiss Exchange shall be validly given if published on the website or in the newspaper specified in the relevant Pricing Supplement.

25.4 Notices to Holders of French Securities

- a) All notices to Holders of French Securities will be valid if published in a leading daily financial newspaper having general circulation in Paris (which is expected to be *Les Echos*) or, if such newspaper shall cease to be published or timely publication in them shall not be practicable, in such other financial daily newspaper having general circulation in Paris.
- b) In the case of French Securities in registered dematerialised form (*au nominatif*), notices may not be made in accordance with paragraph (a) above but may be mailed to Holders at their respective addresses in the register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.
- c) Any notice mentioned in paragraphs (a) and (b) above 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 first publication in all required newspapers.

25.5 Notices to Holders of German Securities

Notices to Holders of German Securities will be valid if published (a) in a leading daily financial newspaper having general circulation in Germany (which is expected to be *Handelsblatt*), (b) on the website maintained on behalf of the Issuer, www.jpmorgansp.com, or (c) in accordance with General Condition 25.2 (*Notices to Holders of interests in Global Securities*).

25.6 Notices in respect of Securities listed on the Luxembourg Stock Exchange's Euro MTF

So long as the Securities are listed on the Official list and admitted to trading on the Luxembourg Stock Exchange's Euro MTF and the rules of the Luxembourg Stock Exchange so require all notices regarding the Securities will be deemed to be validly given if published in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (www.bourse.lu).

25.7 Notices in respect of Securities listed on the SIX Swiss Stock Exchange

For so long as any Securities are listed on the SIX Swiss Exchange, all notices in respect of such Securities shall be published in accordance with the rules of the SIX Swiss Exchange.

25.8 Notices in respect of Securities listed on any other stock exchange

For so long as any Securities are listed on any other stock exchange or listing authority, notices shall be published in accordance with the rules of such stock exchange or listing authority.

25.9 Notices by Holders of German Securities

In respect of German Securities, notices which are required to be given by the Holder to the Issuer or Relevant Programme Agent pursuant to General Condition 5.2 (*Redemption at the Option of Holders*), General Condition 9.2 (*Redemption at the Option of Holders*), General Condition 11.2 (*Automatic Exercise Warrant Notice Requirement*) and General Condition 11.3 (*Exercise Procedure*) must be given (and will only be validly given) if:

- a) the Holder submits to the Relevant Programme Agent a written notice in the form available from the Relevant Programme Agent which has been completed by such Holder or which includes any statements and declarations required by such form, in particular:
 - (i) the name and address of the Holder;
 - (ii) the specification (including ISIN/WKN) and number of Securities to which the notice is applicable;

- (iii) the account of the Holder with a bank in the Federal Republic of Germany to which any payments that may be owed or delivery which may be due under the Securities are to be credited; and
 - (iv) in respect of Securities to which Physical Settlement applies, a Non-U.S. Certification; and
- b) delivers the Securities to which the notice relates to the Relevant Programme Agent either (i) by means of an irrevocable instruction to the Relevant Programme Agent to debit the Securities from the depositary account, if any, maintained with the Relevant Programme Agent, or (ii) by transfer of the Securities to the account of the Relevant Programme Agent with the Relevant Clearing System.

If the number of Securities to which the notice relates differs from the number of Securities transferred to the Relevant Programme Agent, the notice shall be deemed to apply only for the smaller of both numbers of Securities. Any Securities transferred in excess of the number of Securities to which the notice relates shall be re-transferred to the Holder at its risk and expense.

No Securities so delivered and options so exercised may be withdrawn without the prior consent of the Issuer.

25.10 Notices from the Calculation Agent

Notices from the Calculation Agent shall be given in accordance with General Conditions 25.1 (*Notices to the Holders of Registered Securities in definitive form*) to 25.8 (*Notices in respect of Securities listed on any other stock exchange*) above, as applicable.

26. Substitution

26.1 Right of Substitution

The Issuer may (provided it has complied with the requirements set out in General Conditions 26.2a) to (c) (inclusive) (for Securities other than German Securities and French Securities) or General Conditions 26.3a) to (e) (inclusive) (for German Securities and French Securities)) at any time, without the consent of the Holders, substitute for itself any company from JPMorgan Chase & Co. and its consolidated subsidiaries (including the Guarantors) (the "**Substitute**") provided, however, that:

- a) in respect of Securities issued by JPMSP, (i) either JPMSP or JPMorgan Chase Bank, N.A. has or will (or based on an opinion of counsel to JPMSP (or to JPMorgan Chase Bank, N.A. in its capacity as Guarantor, as the case may be), there is a substantial likelihood that it will) become obliged to pay Additional Amounts as provided or referred to in General Condition 17.1 (*Obligation to Pay Additional Amounts*) or (ii) an Underlying Hedge Entity has incurred or will (or based on an opinion of counsel to such Underlying Hedge Entity there is a substantial likelihood that it will) incur a materially increased tax cost in performing its obligations in relation to the Underlying Hedge Transactions (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position with respect to an Underlying Hedge Tax Jurisdiction), in each case (x) as a result of (I) any action taken by a Relevant Jurisdiction, Underlying Hedge Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax or brought in a court of competent jurisdiction on or after the Issue Date; or (II) the proposal, adoption, finalisation or expiration of any laws, regulations, or administrative guidance of a Relevant Jurisdiction, Underlying Hedge Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in, or amendment to (or proposed change or amendment to) proposed or final laws, regulations, or administrative guidance, or any change in the application or official interpretation of proposed or final laws, regulations or administrative guidance (including by inaction, such as the failure to finalise proposed regulations or administrative guidance), which proposal, adoption, finalisation, expiration, change or amendment becomes effective on or after the Issue Date or with respect to payments made on or after the Issue Date; and (y) such obligation or tax cost cannot be avoided by JPMSP, JPMorgan Chase Bank, N.A. or Underlying Hedge Entity (as applicable) taking reasonable measures available to it; and

- b) in respect of Securities issued by JPMBD, (i) either JPMBD or JPMorgan Chase & Co. has or will (or based on an opinion of counsel to JPMBD (or to JPMorgan Chase & Co. in its capacity as Guarantor, as the case may be), there is a substantial likelihood that it will) become obliged to pay Additional Amounts as provided or referred to in General Condition 17.1 (*Obligation to Pay Additional Amounts*) or (ii) an Underlying Hedge Entity has incurred or will (or based on an opinion of counsel to such Underlying Hedge Entity there is a substantial likelihood that it will) incur a materially increased tax cost in performing its obligations in relation to the Underlying Hedge Transactions (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position with respect to an Underlying Hedge Tax Jurisdiction), in each case (x) as a result of (I) any action taken by a Relevant Jurisdiction, Underlying Hedge Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax or brought in a court of competent jurisdiction on or after the Issue Date; or (II) the proposal, adoption, finalisation or expiration of any laws, regulations, or administrative guidance of a Relevant Jurisdiction, Underlying Hedge Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in, or amendment to (or proposed change or amendment to) proposed or final laws, regulations, or administrative guidance, or any change in the application or official interpretation of proposed or final laws, regulations or administrative guidance (including by inaction, such as the failure to finalise proposed regulations or administrative guidance), which proposal, adoption, finalisation, expiration, change or amendment becomes effective on or after the Issue Date or with respect to payments made on or after the Issue Date; and (y) such obligation or tax cost cannot be avoided by JPMBD, JPMorgan Chase & Co. or Underlying Hedge Entity (as applicable) taking reasonable measures available to it.

For the purposes of this General Condition 26.1, the term "Relevant Jurisdiction" shall also include any jurisdiction that enters into an intergovernmental agreement with the United States in furtherance of FATCA.

26.2 Means of Substitution (Securities other than German Securities and French Securities)

The right of substitution granted to Securities other than German Securities and French Securities is subject to fulfilment of the following:

- a) the Substitute having, by means of a deed poll (the "**Deed Poll**"), substantially in the form scheduled to the Agency Agreement:
- (i) become a party to the Agency Agreement with any appropriate consequential amendments, as if it had been an original party to it;
 - (ii) indemnified each Holder against (x) any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Security or the Deed of Covenant arising from or in connection with the substitution and (y) any tax, duty, assessment or governmental charge, and any cost or expense relating to the substitution;
 - (iii) completed all actions, conditions and things required to be taken, fulfilled and done in respect of the substitution (including the obtaining of any necessary consents from the Swedish CSD in respect of Swedish Securities), and to ensure that the Deed Poll, the Securities and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Deed Poll, of the Guarantor, and a supplement to the Offering Circular describing the Programme having been prepared if required to describe the Substitute;
- b) (i) JPMorgan Chase Bank, N.A. (in respect of Securities issued by JPMSP or JPMorgan Chase Bank, N.A., where JPMSP or JPMorgan Chase Bank, N.A. is substituted as issuer, and where JPMorgan Chase Bank, N.A. is not the Substitute) shall guarantee the obligations of the Substitute under the Deed Poll, the Securities and the Deed of Covenant by means of the Deed Poll; and

- (ii) JPMorgan Chase & Co., (in respect of Securities issued by JPMBD or JPMorgan Chase & Co., where JPMBD or JPMorgan Chase & Co. is substituted as issuer and where JPMorgan Chase & Co. is not the Substitute) shall guarantee the obligations of the Substitute under the Deed Poll, the Securities and the Deed of Covenant by means of the Deed Poll; and
- c) the Issuer shall give at least 14 days' prior notice of such substitution to the Holders (which shall be announced in accordance with General Condition 25 (*Notices*)), stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Holders, shall be available for inspection at the specified office of each of the Paying Agents.

26.3 Means of Substitution in respect of German Securities and French Securities

The right of substitution granted to German Securities and French Securities is subject to the following:

- a) the Substitute assuming all obligations of the Issuer or any previous substituted company arising from or in connection with the German Securities or the French Securities;
- b) the Issuer and the Substitute having obtained all necessary authorisations and being able to transfer all amounts required for the fulfilment of the payment obligations under the German Securities or the French Securities to the Relevant Programme Agent (in the currency required under the German Securities and French Securities) without being obliged to deduct or withhold any taxes or other duties of whatever nature levied by the country in which the Substitute or the Issuer has its domicile or tax residence;
- c) the Substitute agreeing to indemnify and hold harmless each Holder of German Securities or French Securities against (i) any tax, duty, assessment or governmental charge imposed on such Holder of German Securities or French Securities by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation which would not have been so imposed if the Substitution had not been made and (ii) any tax, duty, assessment or governmental charge, any cost or expense in respect of such Substitution;
- d) if the German Securities or the French Securities are listed on a stock exchange and the rules of such exchange (or other regulatory authority) so require, the Issuer notifying such substitution in accordance with applicable rules and regulations; and
- e) in the case of German Securities or French Securities issued by JPMSP or JPMBD, the obligations of the Substitute arising under the German Securities or French Securities remaining guaranteed by the relevant Guarantor.

A notice of any Substitution in accordance with this General Condition 26.3 will be published in accordance with General Condition 25 (*Notices*).

26.4 References to Issuer deemed to be to Substitute

Where an Issuer is substituted for a Substitute, any reference to such Issuer in these General Conditions shall be deemed to be a reference to the Substitute.

27. Prescription

27.1 Securities other than German Securities

Claims against the Issuer or, as the case may be, the Guarantor for payment or delivery in respect of the Securities (including without limitation, claims for any applicable redemption amounts payable) shall be prescribed and become void unless made within (and no claims shall be made after such relevant date):

- a) ten years (in the case of principal or any Reference Asset Amount(s)) from the appropriate Relevant Date in respect of the relevant Notes;

- b) five years (in the case of interest) from the appropriate Relevant Date in respect of the relevant Notes; or
- c) five years from the Settlement Date in respect of Warrants and Certificates.

27.2 German Securities

The period for presentation of German Securities (pursuant to section 801 paragraph 1 sentence 1 of the German Civil Code) shall be ten years from the date on which the relevant obligation of the Issuer under the German Securities first becomes due, and the period of limitation for claims under the German Securities presented during the period for presentation shall be two years calculated from the expiration of the presentation period.

28. Governing Law and Jurisdiction

28.1 Governing Law

- a) ***Securities other than French Securities, German Securities, Rule 144A Warrants and Rule 144A Certificates***

Save as provided in General Condition 28.1b) (*Danish Notes, Finnish Securities, Norwegian Securities and Swedish Securities*) below (if applicable), the Securities (including Rule 144A Notes, Swiss Securities and Regulation S/Rule 144A Warrants), the JPMorgan Chase Bank, N.A. Guarantee in respect of Securities issued by JPMSP, the JPMorgan Chase & Co. Guarantee in respect of Securities issued by each of JPMBD and JPMI and the Agency Agreement (and any dispute, controversy, proceedings or claim of whatever nature (whether contractual, non-contractual or otherwise) arising out of or in any way relating to the Securities or the Agency Agreement or their respective formation) are governed by English law.

- b) ***Danish Notes, Finnish Securities, Norwegian Securities and Swedish Securities***

Danish law will be applicable in respect of the registration (including transfer of title redemption and payments) of Danish Notes in the VP. Finnish law will be applicable in respect of the title to and registration of Finnish Securities in Euroclear Finland. Norwegian law will be applicable in respect of the registration of Norwegian Securities in the VPS. Swedish law will be applicable in respect of the registration of Swedish Securities in Euroclear Sweden.

- c) ***French Securities***

French Securities (and any dispute, controversy, proceedings or claim of whatever nature (whether contractual, non-contractual or otherwise) arising out of or in any way relating to French Securities, or their formation) are governed by and shall be construed in accordance with French law. The JPMorgan Chase Bank, N.A. Guarantee in respect of French Securities issued by JPMSP, the JPMorgan Chase & Co. Guarantee in respect of French Securities issued by JPMBD and the Agency Agreement (and any dispute, controversy, proceedings or claim of whatever nature (whether contractual, non-contractual or otherwise) arising out of or in any way relating to the Agency Agreement, or its formation) shall be governed by English law.

- d) ***German Securities***

German Securities are governed by and shall be construed in accordance with, German law. The JPMorgan Chase Bank, N.A. Guarantee in respect of Securities issued by JPMSP and the JPMorgan Chase & Co. Guarantee in respect of Securities issued by JPMBD, shall be governed by and construed in accordance with English law.

- e) ***Rule 144A Warrants and Rule 144A Certificates***

The Rule 144A Warrants and Rule 144A Certificates are governed by and shall be construed in accordance with the laws of the State of New York. The JPMorgan Chase Bank, N.A. Guarantee in respect of Securities issued by JPMSP and the JPMorgan Chase & Co. Guarantee in respect of Securities issued by each of JPMBD and JPMI and the Agency Agreement shall be construed in accordance with English law (without reference to the principles of conflicts of law thereof).

28.2 Jurisdiction

a) *Securities other than French Securities, German Securities, Rule 144A Warrants and Rule 144A Certificates*

The Courts of England are to have jurisdiction to settle any disputes, controversy, proceedings or claim of whatever nature that may arise out of or in connection with any Securities (other than French Securities, German Securities, Rule 144A Warrants and Rule 144A Certificates) (including their formation), including the JPMorgan Chase Bank, N.A. Guarantee in respect of Securities issued by JPMSP and the JPMorgan Chase & Co. Guarantee in respect of Securities issued by each of JPMBD and JPMI, and accordingly any such legal action or proceedings ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor (if any) irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Holders of the Securities and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

b) *French Securities*

Any claim against the Issuer in connection with any French Securities may be brought before any competent court of the jurisdiction of the Paris Court of Appeal.

c) *German Securities*

The courts of Frankfurt am Main are to have jurisdiction to settle any Proceedings that may arise out of or in connection with any German Securities (including their formation) and accordingly any Proceedings may be brought in such court. In respect of German Securities, each of the Issuer and the Guarantor (if any) irrevocably submits to the jurisdiction of the courts of Frankfurt am Main and waives any objection to Proceedings in such court on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Securities and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

d) *Rule 144A Warrants and Rule 144A Certificates*

Any federal or state court in the Borough of Manhattan, The City of New York, State of New York is to have jurisdiction to settle any legal action or proceedings arising out of or in connection with Rule 144A Warrants and Rule 144A Certificates (including their formation) (the "**Proceedings**") that may be brought in such courts. Each of the Issuer and the Guarantor (if any) irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

28.3 Service of Process

a) *Securities other than German Securities, Rule 144A Warrants and Rule 144A Certificates*

Each of JPMSP, JPMBD, JPMI, JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. appoints the Company Secretary of J.P. Morgan Securities plc of 25 Bank Street, Canary Wharf, London E14 5JP, England as their respective agent in England to receive, for them and on their behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to the relevant process agent (whether or not, it is forwarded to and received by JPMSP, JPMBD, JPMI, JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co., as the case may be). If for any reason the process agent ceases to be able to act as such or no longer has an address in London, each of JPMSP, JPMBD, JPMI, JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co., as the case may be, irrevocably agrees to appoint a substitute process agent and shall immediately notify Holders of such appointment in accordance with General

Condition 25 (*Notices*). Nothing shall affect the right of Holders to serve process in any manner permitted by law.

b) ***German Securities***

Each of the Issuer and the Guarantor, if any, appoints the Head of the Legal Department of J.P. Morgan AG, Börsenstrasse 2-4, 60313 Frankfurt am Main, Germany as its agent in Germany to receive, for it and on its behalf, service of process in any Proceedings in Germany. Such service shall be deemed completed on delivery to the relevant process agent (whether or not, it is forwarded to and received by the Issuer or the Guarantor). If for any reason the relevant process agent ceases to be able to act as such or no longer has an address in Germany, the Issuer and the Guarantor, if any, irrevocably agree to appoint a substitute process agent and shall immediately notify Holders of such appointment in accordance with General Condition 25.5 (*Notices to Holders of German Securities*). Nothing shall affect the right to serve process in any manner permitted by law.

c) ***Rule 144A Warrants and Rule 144A Certificates***

Each of JPMSP and JPMBD appoints JPMorgan Chase Bank, N.A. as its authorised agent upon which process may be served in any Proceedings that may be instituted in any federal or state court in the Borough of Manhattan, The City of New York, State of New York, but for that purpose only. Service of process upon such agent at 383 Madison Avenue, 5th Floor, New York, New York 10179, United States of America. Attention: Corporate Secretary, and written notice of such service to JPMSP or JPMBD by the person serving the same, shall be deemed in every respect effective service of process upon each of JPMSP and JPMBD in any such Proceedings. Such appointment shall be irrevocable so long as the Holders shall have any rights pursuant to the terms of the Rule 144A Warrants, or the Rule 144A Certificates, as the case may be, until the appointment of a successor by JPMSP or JPMBD, as applicable, and such successor's acceptance of such appointment. Upon such acceptance, JPMSP or JPMBD, as applicable, shall notify the Principal Programme Agent of the name and address of such successor. JPMSP and JPMBD each further agree to take any and all action, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of such agent or successor for so long as Holders shall have any rights pursuant to the terms of the Rule 144A Warrants, or the Rule 144A Certificates, as the case may be or for so long as Holders shall have any rights pursuant to the terms of the Rule 144A Warrants, or the Rule 144A Certificates, as the case may be issued by them, respectively. The Principal Programme Agent shall not be obliged and shall have no responsibility with respect to any failure by JPMSP or JPMBD to take any such action.

29. **Contracts (Rights of Third Parties) Act 1999**

In respect of any Securities which are governed by English law, no person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

30. **Definitions and Interpretation**

30.1 **Definitions**

In these General Conditions, unless the context otherwise requires, the following terms shall have the respective meanings set out below:

"**Additional Amounts**" has the meaning given in General Condition 17 (*Taxation and Early Redemption or Termination for Taxation*).

"**Adjustment Date**" means a date specified by the Issuer in the notice given to the Holders pursuant to General Condition 20.2 (*Adjustments to Warrants or Certificates for European Monetary Union*) which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty.

"**Agency Agreement**" has the meaning given in Part A (*Introduction*).

"Agents" means the Principal Programme Agent, the Paying Agents, the Registrar, the Transfer Agent, the Calculation Agent, the Delivery Agent as appointed by the Issuer and, if applicable, the Guarantor, and each Relevant Programme Agent.

"Alternative Settlement Date" means such date as the Calculation Agent reasonably determines.

"American Style" has the meaning given in General Condition 11.1a) (*Exercise Style and Period*).

"Amortised Face Amount" has the meaning given in General Condition 5.5 (*Early Redemption of Zero Coupon Notes*).

"Amortisation Yield" means the yield specified as such in the relevant Pricing Supplement or, if none is specified, the yield determined in accordance with General Condition 5.5 (*Early Redemption of Zero Coupon Notes*).

"Automatic Exercise" means, if specified to be applicable in the relevant Pricing Supplement, that the relevant Warrants or Certificates not exercised prior to the Expiration Date shall be deemed to have been exercised on the Expiration Date.

"Automatic Exercise Warrant Notice" means, in respect of Warrants, the notice specified in General Condition 11.2 (*Automatic Exercise Warrant Notice Requirement*).

"Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to TARGET2 provided however, that payment will not be made by mail to an address in the United States or by transfer to an account maintained in the United States.

"Bearer Global Security" means a Permanent Bearer Global Security or a Temporary Bearer Global Security.

"Bearer Notes" means any Notes specified to be a Bearer Security in the relevant Pricing Supplement.

"Bearer Securities" means any Securities specified as such in the relevant Pricing Supplement.

"Benchmark" means the benchmark in respect of a Representative Amount of the Specified Currency as specified in the relevant Pricing Supplement.

"Bermudan Style" has the meaning given in General Condition 11.1a) (*Exercise Style and Period*).

"Broken Amount" means the amount specified as such in the relevant Pricing Supplement.

"Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation (in the case of Securities in definitive form), in such jurisdictions as shall be specified as **"Additional Financial Centres"** in the relevant Pricing Supplement and:

- (a) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, a day on which foreign exchange transactions may be claimed on and commercial banks settle payments in the relevant currency in the principal financial centre of the control of such currency;
- (b) in the case of a payment in euro, a day which is a TARGET2 Settlement Day and/or
- (c) in the case of one or more Additional Financial Centres, a day on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Financial Centre(s) or, if no currency is indicated, generally in each of the Additional Financial Centres,

provided that if the Additional Financial Centres are specified in the relevant Pricing Supplement to be or to include "TARGET" or "TARGET2", then Business Day shall also be a day which is a TARGET2 Settlement Day (in addition to the terms of the foregoing paragraphs (a), (b) and (c), as applicable); and in cases where payments and/or deliveries are to be made through a Relevant Clearing System, a day on which such Relevant Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) also open for the acceptance and execution of settlement instructions.

"Business Day Convention" has the meaning given in General Condition 12 (*Business Day*).

"Calculation Agent" means J.P. Morgan Securities plc and includes any alternative calculation agent appointed from time to time in respect of a Series of Securities identified as such in the relevant Pricing Supplement.

"Cash Settlement" means payment of the Settlement Amount or Redemption Amount, as applicable, in cash, as specified in the relevant Pricing Supplement.

"Certificates" has the meaning given in Part A (*Introduction*).

"Clearing System Business Day" means, in respect of any Relevant Clearing System, any day on which such Relevant Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Clearstream Frankfurt" means Clearstream Banking AG, Frankfurt or any successor or replacement thereto.

"Clearstream, Luxembourg" means Clearstream Banking, *société anonyme* or any successor or replacement thereto.

"Closed Periods" has the meaning given in General Condition 2.1g) (*Closed Periods in respect of Danish Notes, Norwegian Securities, Swedish Securities and Finnish Securities*)).

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Commodity Exchange Act" means the U.S. Commodity Exchange Act, as amended.

"Commodity Linked Interest Notes" means any Notes in respect of which the "Variable Linked Interest Provisions" are specified to be applicable in the relevant Pricing Supplement and the "Type of Interest" is designated as "Commodity Linked Interest".

"Commodity Linked Provisions" has the meaning given in Part A (*Introduction*).

"Commodity Linked Securities" means any Securities in respect of which the "Commodity Linked Provisions" are specified to be applicable in the relevant Pricing Supplement.

"Conditions" has the meaning given in Part A (*Introduction*).

"Coupon Amount" means the amount specified as such in the relevant Pricing Supplement.

"Coupon Payment Date" means each date specified as such in the relevant Pricing Supplement.

"Coupon Period" means the period commencing on, and including (or in the case of Swedish Warrants and Swedish Certificates, excluding) the Issue Date and ending on, but excluding (or in the case of Swedish Warrants and Swedish Certificates, including), the first Coupon Payment Date and each successive period beginning on, and including (or in the case of Swedish Warrants and Swedish Certificates, excluding) a Coupon Payment Date and ending on, but excluding (or in the case of Swedish Warrants and Swedish Certificates, including) the next succeeding Coupon Payment Date.

"Credit Linked Notes" means any Notes in respect of which the "Credit Linked Note Provisions" are specified to be applicable in the relevant Pricing Supplement.

"Danish Notes" has the meaning given in General Condition 1.1b)(iii) (*Danish Notes*).

"Danish Programme Agent" means Skandinaviska Enskilda Banken AB (publ), or any successor or additional agent appointed in connection with the relevant Danish Notes in accordance with the Agency Agreement.

"Danish Record Date" means, in respect of Danish Notes, the record date as set out in the applicable Danish rules regarding dematerialised securities issued through the VP.

"Danish Registrar" means the VP.

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these General Conditions or the relevant Pricing Supplement and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods normally ending in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods normally ending in any year;
- (b) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if **"30/360"**, **"360/360"** or **"Bond Basis"** is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

Where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (f) if **"30E/360"** or **"Eurobond Basis"** is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

Where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (g) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1) + (D_2 - D_1)]}{360}$$

Where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

"**Dealer**" means any dealer specified in the relevant Pricing Supplement.

"**Deed of Covenant**" has the meaning given in Part A (*Introduction*).

"**Deed Poll**" has the meaning given in General Condition 26.2 (*Means of Substitution (Securities other than German Securities and French Securities)*).

"**Delivery Agent**" means J.P. Morgan Securities plc or any successor thereof (or such other Delivery Agent as may be appointed from time to time and as specified in the relevant Pricing Supplement).

"Delivery Date" has the meaning given in General Condition 14.3 (*Delivery of Reference Asset Amount*).

"Delivery Expenses" means all expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties, that arise from the delivery and/or transfer of any Reference Asset Amount(s).

"Disruption Cash Settlement Price" means such amount as specified in the relevant Pricing Supplement, or, if not so specified, an amount equal to the fair market value of the relevant Security (but not taking into account any interest accrued on any Security) on such day as shall be selected by the Calculation Agent in its discretion adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any relevant Share or other instruments or assets of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in good faith and in a commercially reasonable manner.

"DTC" means The Depository Trust Company or any successor or replacement thereto.

"DTC Custodian" means the custodian on behalf of DTC.

"Dual Currency Notes" means any Notes in respect of which the "Dual Currency Note Provisions" are specified to be applicable in the relevant Pricing Supplement.

"Early Payment Amount" means an amount determined by the Calculation Agent on the second Business Day immediately preceding the due date for the early redemption or settlement of the Securities, representing the fair market value of such Securities taking into account all factors which the Calculation Agent determines relevant (including, if applicable, any accrued interest) (but ignoring the event which resulted in such early redemption) less all costs incurred by the Issuer or any affiliate in connection with such early redemption or settlement, including, without limitation, any costs to the Issuer associated with unwinding any funding relating to the Securities, any costs associated with unwinding any underlying related hedging arrangements, and all other expenses related thereto, as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

"ECP" means "eligible contract participants" as defined in Section 1(a)(12) of the Commodity Exchange Act.

"Effective Date" means, with respect to any Rate of Interest to be determined on an Interest Determination Date, the date specified as such in the relevant Pricing Supplement or, if none is so specified, the first day of the Interest Period to which such Interest Determination Date relates.

"Eligible Investor Certification" means, with respect to:

- (i) Rule 144A Securities, the certification by a Holder included in an Exercise Notice and Reference Asset Transfer Notice to the effect that it is an Eligible Investor, including, among other things, it is (i) a QIB, (ii) in relation to Securities issued by JPMSP or JPMBD, a QP, (iii) an ECP and (iv) in relation to Securities issued by JPMSP or JPMBD either (a) a MUSIV or (b) a Qualified Offshore Client, and that it is able to make the representations, warranties, acknowledgments and agreements required in the relevant Investor Letter of Representations as of the certification date and as of the date the underlying Reference Assets are delivered to it or by it or the Settlement Amount, Exercise Amount or Redemption Amount is paid to it or by it, as the case may be; and
- (ii) Regulation S/Rule 144A Warrants, either (a) each of the certifications required in (i) above or (b) a Non-U.S. Certification, as applicable.

"Eligible Investors" are transferees of Securities satisfying (or who upon transfer of Securities shall satisfy) each of the terms set forth in General Condition 2.3a(ii) (*Rule 144A Securities*) or

2.3a)(iii) (*Regulation S/Rule 144A Warrants*) in connection with any transfer and holding of such Securities.

"Equity Certification" means, in respect of Physical Settlement and a Reference Asset Transfer Notice, certain representations with respect to Shares as set out in the form of the Reference Asset Transfer Notice set out in the Agency Agreement (and which may be obtained during normal business hours from the specified office of the Relevant Programme Agent).

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.

"EURIBOR" means the Euro Interbank Offered Rate.

"euro" means the lawful single currency of the member states of the European Union that have adopted and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

"Euroclear" means Euroclear Bank SA/NV or any successor or replacement thereto.

"Euroclear Finland" means Euroclear Finland Oy, the Finnish Central Securities Depository or any successor or replacement thereto.

"Euroclear Finland register day" has the meaning given in General Condition 6.2d) (*Payments in respect of Finnish Notes*).

"Euroclear Finland Rules" means Finnish laws, regulations, decisions and operating procedures from time to time applicable to the Finnish Securities and/or issued by Euroclear Finland.

"Euroclear France" means Euroclear France S.A. or any successor or replacement thereto.

"Euroclear France Account Holder" means any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear and the depositary bank for Clearstream, Luxembourg.

"Euroclear Sweden" means Euroclear Sweden AB or any successor or replacement thereto.

"European Style" has the meaning given in General Condition 11.1a) (*Exercise Style and Period*).

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"Event of Default" has the meaning given in General Condition 15.1 (*Occurrence of Event of Default*).

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Exchange Date" means, in relation to a Temporary Global Security, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Security, a day falling not less than 60 days, or in the case of failure to pay principal, the redemption amount or settlement amount in respect of any Securities when due, 30 days, after the day on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Relevant Programme Agent is located and in the city in which the Relevant Clearing System is located.

"Exercise Amount" means, in the case of Securities for which Physical Settlement applies, the amount payable by the intended recipient of the Reference Assets upon exercise of such Securities, as specified in the relevant Pricing Supplement.

"Exercise Date" means the day, as specified in the relevant Pricing Supplement, during the Exercise Period on which a Security is, or is deemed to be, exercised in accordance with the General Conditions.

"Exercise Notice" means:

- (a) in respect of Warrants other than Warrants which are German Securities, a notice (substantially in the form provided by the Relevant Programme Agent), with any such amendments as the Issuer may specify, and which shall:
 - (i) specify the number of Warrants of each Series or Tranche being exercised and, if applicable, attach the Warrants in definitive form being exercised;
 - (ii) specify the number of the Holder's account at the Relevant Clearing System(s) (if applicable) to be debited with the Warrants being exercised;
 - (iii) irrevocably instruct the Relevant Clearing System(s), or the Relevant Programme Agent in the case of Warrants in definitive form or Finnish Warrants, Norwegian Warrants and Swedish Warrants, as applicable, to debit on or before the Settlement Date the account of the relevant Holder with the Warrants being exercised and to credit the account of the Relevant Programme Agent;
 - (iv) if the relevant Pricing Supplement confer on the Holder an option to receive upon exercise either (A) Cash Settlement, (B) Issuer Physical Settlement or (C) Holder Physical Settlement, specify whether the Holder requires Cash Settlement or Physical Settlement. If the relevant Pricing Supplement confer on the Issuer an option to deliver either Cash Settlement or Physical Settlement, its choice shall be notified to the Holders in accordance with General Condition 25 (*Notices*);
 - (v) if the Warrants are to be, or may be, settled by Issuer Physical Settlement (whether in accordance with the relevant Pricing Supplement or at the option of the Issuer or the Holder) include an irrevocable undertaking to pay the Exercise Amount on or prior to the relevant Settlement Date or otherwise in accordance with the relevant Pricing Supplement;
 - (vi) if the Warrants are to be, or may be, settled by Holder Physical Settlement (whether in accordance with the relevant Pricing Supplement or at the option of the Holder or the Issuer) include an irrevocable undertaking to deliver the Reference Asset on or prior to the relevant Settlement Date or otherwise in accordance with the relevant Pricing Supplement:
 - (A) include an irrevocable undertaking to pay (i) any applicable Expenses due by reason of the exercise of Warrants by such Holder including, for the avoidance of doubt, any Expenses which are required by law to be deducted or withheld from any payments or as a result of a transfer of a Reference Asset following the exercise of Warrants and (ii) in the case where Expenses are required to be deducted or withheld by the Holder from payments it makes to the Issuer, such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of Expenses, whether assessed against Issuer or Holder) will equal the full amount the Issuer would have received had no such deduction or withholding been required;
 - (B) include an authorisation to the Issuer (i) (in the case of Cash Settlement) to deduct any Expenses from the Settlement Amount, (ii) (in the case of Holder Physical Settlement) to deduct any Expenses from the Exercise Amount or any other amount payable by the Issuer to the Holder in connection with the exercise of such Warrants or (iii) (in the case of Issuer Physical Settlement) to delay delivery of the Reference Asset until such Expenses have been paid by the Holder;

- (C) except with respect to Swedish Warrants and to Finnish Warrants (if applicable) include a Warrant Account Notice;
 - (D) except with respect to Swedish Warrants and Finnish Warrants (if applicable) include a Non-U.S. Certification if "Physical Settlement" is applicable to the Warrants; and
 - (E) authorise the production of such certification in applicable administrative or legal proceedings; and
- (b) in respect of Warrants which are German Securities, a notice pursuant to General Condition 25.9 (*Notices by Holders of German Securities*) which also meets the requirements of paragraphs (iv) to (vi)(B) (inclusive) of paragraph (a) above.

"Exercise Period" means, in respect of:

- (a) Securities designated in the relevant Pricing Supplement as "American Style", in respect of (i) Securities to which the Share Linked Provisions and the Index Linked Provisions apply, all Scheduled Trading Days (or such other types of days as may be specified in the relevant Pricing Supplement) from, and including, the Issue Date to, and including, the Expiration Date, and (ii) all other Securities, the period commencing on, and including, the Issue Date and ending on, and including, the Expiration Date;
- (b) Securities designated in the relevant Pricing Supplement as "European Style", the Expiration Date; and
- (c) Securities designated in the relevant Pricing Supplement as "Bermudan Style", each Potential Exercise Date and the Expiration Date.

"Expenses" means all expenses, costs, charges, levies, tax, duties, withholding, deductions or other payments including without limitation, all depositary, custodial, registration, transaction and exercise charges and all stamp, issues, registration or, securities transfer or other similar taxes or duties incurred by the Issuer and/or a Hedging Entity in respect of the Issuer's obligations under the Securities.

"Expiration Date" means the date specified as such in the relevant Pricing Supplement, provided that if "Expiration Date subject to Valuation Date adjustment" is stated to be applicable in the relevant Pricing Supplement, then the provisions of the Specific Product Provisions shall apply to the Expiration Date as if such date were a Valuation Date.

"Extraordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent. of the principal amount (in the case of Notes) or number outstanding held (in the case of Warrants or Certificates) of the Securities represented and voting at such meeting. A resolution in writing signed or electronically approved using the systems and procedures in place from time to time of a Relevant Clearing System by or on behalf of 75 per cent. or more of Holders of Securities, by reference to their original aggregate principal amount (in the case of Notes) or the number of Securities outstanding (in the case of Warrants and Certificates), who for the time being are entitled to receive notice of a meeting shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Holders of the Securities. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Holders of Securities or may be in the form of SWIFT or other electronic instructions as permitted by the rules and procedures of the Relevant Clearing System, and in each case the date of such resolution shall be the date that such 75 per cent. majority is reached.

"FATCA" means (a) Sections 1471 to 1474 of the Code or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of clause (a) above; or (c) any agreement pursuant to the implementation of clauses (a) or (b) above with a taxing authority in any jurisdiction.

"**FDIC**" has the meaning given in General Condition 3.1 (*Guarantee*).

"**Final Redemption Amount**" has the meaning given in the relevant Pricing Supplement.

"**Finnish Certificates**" means any Certificates which are specified to be Finnish Securities in the relevant Pricing Supplement.

"**Finnish Notes**" means any Notes which are specified to be Finnish Securities in the relevant Pricing Supplement.

"**Finnish Programme Agent**" means Svenska Handelsbanken AB (publ), Branch Operation in Finland, or any successor or additional agent appointed in connection with the relevant Finnish Securities in accordance with the Agency Agreement.

"**Finnish Record Date**" has the meaning given in General Condition 6.2d) (*Payments in respect of Finnish Notes*).

"**Finnish Register**" has the meaning given in General Condition 1.2d) (*Title to Finnish Securities*).

"**Finnish Registrar**" has the meaning given in General Condition 1.1b)(iv) (*Finnish Securities*).

"**Finnish Securities**" has the meaning given in General Condition 1.1b)(iv) (*Finnish Securities*) and means Finnish Notes, Finnish Warrants and/or Finnish Certificates as the context may require.

"**Finnish Warrants**" means any Warrants which are specified to be Finnish Securities in the relevant Pricing Supplement.

"**Fixed Coupon Amount**" means the amount specified as such in the relevant Pricing Supplement.

"**Fixed Rate Coupon**" means the rate specified in the relevant Pricing Supplement.

"**Fixed Rate Notes**" means any Notes in respect of which the "Fixed Rate Note Provisions" are specified to be applicable in the relevant Pricing Supplement.

"**Floating Rate Coupon**" means the rate of interest payable from time to time in respect of a Certificate in respect of which the "Certificate Floating Rate Coupon Provisions" are specified to be applicable in the relevant Pricing Supplement and that is either specified or calculated in accordance with the provisions in such relevant Pricing Supplement.

"**Floating Rate Coupon Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Pricing Supplement.

"**Floating Rate Coupon Determination Date**" means, with respect to a Floating Rate Coupon and a Floating Rate Coupon Period, the date specified as such in the relevant Pricing Supplement or, if none is so specified, (i) the first day of such Floating Rate Coupon Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Floating Rate Coupon Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET2 Settlement Days prior to the first day of such Floating Rate Coupon Period if the Specified Currency is euro.

"**Floating Rate Coupon Payment Date**" means each date specified as such in the relevant Pricing Supplement, adjusted in accordance with the Business Day Convention.

"**Floating Rate Coupon Period**" means the period commencing on, and including (or in the case of Swedish Certificates, excluding) the Issue Date and ending on, but excluding (or in the case of Swedish Certificates, including), the first Floating Rate Coupon Payment Date and each successive period beginning on, and including (or in the case of Swedish Certificates, excluding) a Floating Rate Coupon Payment Date and ending on, but excluding (or in the case of Swedish Certificates, including) the next succeeding Floating Rate Coupon Payment Date.

"Floating Rate Notes" means any Notes in respect of which the "Floating Rate Note Provisions" are specified to be applicable in the relevant Pricing Supplement.

"French Bearer Securities" has the meaning given in General Condition 1.1a)(ii) (*French Bearer Securities*).

"French Certificates" means any Certificates which are specified to be French Bearer Securities (*au porteur*) or French Registered Securities in a registered dematerialised form (*au nominatif*), as specified in the relevant Pricing Supplement.

"French Notes" means any Notes which are specified to be French Bearer Securities (*au porteur*) or French Registered Securities in a registered dematerialised form (*au nominatif*), as specified in the relevant Pricing Supplement.

"French Programme Agent" means BNP Paribas Securities Services, Paris branch, or any successor or additional agent appointed in connection with the relevant French Securities in accordance with the Agency Agreement.

"French Registered Securities" has the meaning given in General Condition 1.1b)(ii) (*French Registered Securities*).

"French Registration Agent" has the meaning given in General Condition 1.1b)(ii) (*French Registered Securities*).

"French Securities" has the meaning given in General Condition 1.1b)(ii) (*French Registered Securities*).

"French Warrants" means any Warrants which are specified to be French Securities in the relevant Pricing Supplement.

"FX Linked Interest Notes" means any Notes in respect of which the "Variable Linked Interest Provisions" are specified to be applicable in the relevant Pricing Supplement and the "Type of Interest" is designated as "FX Linked Interest".

"FX Linked Provisions" has the meaning given in Part A (*Introduction*).

"FX Linked Securities" means any Securities in respect of which the "FX Linked Provisions" are specified to be applicable in the relevant Pricing Supplement.

"General Conditions" means these General Conditions.

"General Meeting" has the meaning given in General Condition 22.3 (*Meetings of Holders of French Notes (Masse)*).

"German Programme Agent" means BNP Paribas Securities Services S.C.A., Frankfurt branch or any successor or additional agent appointed in connection with the relevant German Securities in accordance with the Agency Agreement.

"German Securities" means Bearer Securities which are governed by German law.

"Global Bearer Note" means a Bearer Note in global form.

"Global Certificates" means Certificates in global form.

"Global Notes" means Notes in global form.

"Global Security" means a Security in global form representing interests in Securities, and **"Global Securities"** shall be construed accordingly.

"Global Warrants" means Warrants in global form.

"Guarantees" means the JPMorgan Chase Bank, N.A. Guarantee and the JPMorgan Chase & Co. Guarantee, and each is a **"Guarantee"**.

"Guarantor" has the meaning given in Part A (*Introduction*).

"Hedging Entity" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions relating to the Securities and/or Reference Assets in respect of the Issuer's obligations under the Securities.

"Holder" has the meaning given in General Condition 1.2 (*Title*).

"Holder Physical Settlement" means the payment of the Exercise Amount by the Issuer to the Holder against delivery of the Reference Asset by the Holder to the Issuer as provided in General Condition 11.3e) (*Holder Physical Settlement*).

"Index Linked Interest Notes" means any Notes in respect of which the "Variable Linked Interest Provisions" are specified to be applicable in the relevant Pricing Supplement and the "Type of Interest" is designated as "Index Linked Interest".

"Index Linked Provisions" has the meaning given in Part A (*Introduction*).

"Index Linked Securities" means any Securities in respect of which the "Index Linked Provisions" are specified to be applicable in the relevant Pricing Supplement.

"Instalment Amount" means the amount specified as such in the relevant Pricing Supplement.

"Instalment Date" means each date specified as such in the relevant Pricing Supplement.

"Instalment Notes" means any Notes specified as such in the relevant Pricing Supplement.

"Interest Amount" for a period or an Interest Payment Date, means the amount of interest payable for such period or on the Interest Payment Date as specified in the relevant Pricing Supplement or as determined pursuant to the formula for its calculation set out in the relevant Pricing Supplement.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the relevant Pricing Supplement.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Period, the date specified as such in the relevant Pricing Supplement or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET2 Settlement Days prior to the first day of such Interest Period if the Specified Currency is euro.

"Interest Payment Date" means each date specified as such in the relevant Pricing Supplement adjusted, in the case of Floating Rate Notes, in accordance with the Business Day Convention.

"Interest Period" means the period beginning on and including (or in the case of Swedish Notes, excluding) the Interest Commencement Date (or in the case of Swedish Notes, the Issue Date) and ending on but excluding (or in the case of Swedish Notes, including) the first Interest Payment Date and each successive period beginning on and including (or in the case of Swedish Notes, excluding) an Interest Payment Date and ending on but excluding (or in the case of Swedish Notes, including) the next succeeding Interest Payment Date.

"Intermediated Securities" means Swiss Securities which are either issued in uncertificated form or represented by a Global Security that is deposited with SIS and entered into the securities accounts of one or more participants of SIS, therefore, constitute intermediated securities (*Bucheffekten*) within the meaning of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

"Intervening Period" has the meaning given in General Condition 14.6 (*Settlement Disruption Event*).

"Investment Company Act" means the U.S. Investment Company Act of 1940, as amended.

"Investor Letter of Representations" means a letter in the form provided by the relevant dealer entered into with the relevant Issuer and (if applicable) the relevant Guarantor, the relevant arranger and the relevant dealer in relation to the purchase of Rule 144A Securities which are Warrants or Certificates, Rule 144A Notes if such Notes have been exchanged for Securities in definitive form or are being held as Securities in definitive form or Regulation S/Rule 144A Warrants, in each case for the benefit of the dealer, the relevant arranger (if any), the Issuer and (if applicable) the Guarantor (together with their respective affiliates and control persons).

"ISDA Definitions" means the 2006 ISDA definitions (the **"2006 Definitions"**), as published by the International Swaps and Derivatives Association, Inc.

"ISDA Rate" has the meaning given in General Condition 4.2b)(i) (*ISDA Determination for Floating Rate Notes*).

"Issue Date" means the date on which the relevant Securities are issued, as specified in the relevant Pricing Supplement.

"Issue Price" means the price specified as such in the relevant Pricing Supplement.

"Issuer" means the issuer specified as such in the relevant Pricing Supplement.

"Issuer Physical Settlement" means the delivery of the Reference Asset by the Issuer to the Holder against payment by the Holder of the Exercise Amount to the Issuer as provided in General Condition 11.3d) (*Issuer Physical Settlement*).

"Joint Representative" has the meaning given in General Condition 22.1e)(v).

"JPMBD" means J.P. Morgan Bank Dublin plc.

"JPMI" means J.P. Morgan Indies SRL.

"JPMorgan Chase & Co. Guarantee" has the meaning given in Part A (*Introduction*).

"JPMorgan Chase Bank, N.A. Guarantee" has the meaning given in Part A (*Introduction*).

"JPMSP" means J.P. Morgan Structured Products B.V.

"Latest Exercise Time" means in each case the Exercise Notice shall be delivered:

- (a) in the case of "American Style" Warrants, not later than 10.00 a.m. (Local Time) on any Scheduled Trading Day during the relevant Exercise Period;
- (b) in the case of "Bermudan Style" Warrants, not later than 10.00 a.m. (Local Time) on any Potential Exercise Date during the relevant Exercise Period; or
- (c) in the case of "European Style" Warrants, not later than 10.00 a.m. (Local Time) on the Expiration Date.

"Local Time" means the local time in the city of the Relevant Clearing System(s).

"Margin" means the margin specified as such in the relevant Pricing Supplement.

"Market Access Participation Notes" means any Notes in respect of which the "Market Access Participation Provisions" are specified to be applicable in the relevant Pricing Supplement.

"Market Access Participation Provisions" has the meaning given in Part A (*Introduction*).

"Masse" has the meaning given in General Condition 22.3 (*Meetings of Holders of French Notes (Masse)*).

"Maturity Date" means the date specified as such in the relevant Pricing Supplement.

"Maximum Exercise Number" means the maximum number of Securities which may be exercised on any Exercise Date as specified in the relevant Pricing Supplement.

"Maximum Rate of Floating Rate Coupon" means the maximum rate to which the Floating Rate Coupon is subject, as specified in the relevant Pricing Supplement.

"Maximum Rate of Interest" means the maximum interest rate to which any applicable rate of interest is subject, as specified in the relevant Pricing Supplement.

"Minimum Exercise Number" means the minimum number of Securities which may be exercised on any Exercise Date as specified in the relevant Pricing Supplement.

"Minimum Rate of Floating Rate Coupon" means the minimum rate to which the Floating Rate Coupon is subject, as specified in the relevant Pricing Supplement.

"Minimum Rate of Interest" means the minimum interest rate to which any applicable rate of interest is subject, as specified in the relevant Pricing Supplement.

"MUSIV" means a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4) under the Exchange Act.

"National Currency Unit" means the unit of the currency of a country, as those units are defined on the date on which the country of the Original Currency first participates in European Economic and Monetary Union.

"Non-U.S. Certification" means a certification (substantially in the form provided by the Relevant Programme Agent) from the relevant Holder that, in the case of its Securities, such Securities are not being exercised or redeemed (as applicable) in the United States or by or on behalf of any U.S. Person, that the payment or delivery with respect to such Securities will not be made in the United States or to, or for the account of, a U.S. Person, that none of such Securities were purchased in the United States and that the Holder was not solicited to purchase such Securities in the United States.

"Norwegian Certificates" means any Certificates which are specified to be Norwegian Securities in the relevant Pricing Supplement.

"Norwegian Notes" means any Notes which are specified to be Norwegian Securities in the relevant Pricing Supplement.

"Norwegian Programme Agent" means Skandinaviska Enskilda Banken AB (publ), or any successor or additional agent appointed in connection with the Norwegian Securities in accordance with the Agency Agreement.

"Norwegian Record Date" has the meaning given in General Condition 6.2e) (*Payments in respect of Norwegian Notes*).

"Norwegian Registrar" means the VPS.

"Norwegian Securities" has the meaning given in General Condition 1.1b)(v) (*Norwegian Securities*) and means Norwegian Notes, Norwegian Warrants and/or Norwegian Certificates as the context may require.

"Norwegian Warrants" means any Warrants which are specified to be Norwegian Securities in the relevant Pricing Supplement.

"Notes" has the meaning given in Part A (*Introduction*).

"Notional Amount" has the meaning given in General Condition 8.1 (*Coupon Payment Dates*).

"Optional Redemption Amount" means the amount specified as such in the relevant Pricing Supplement.

"Optional Redemption Date" means any date specified as such in the relevant Pricing Supplement.

"Original Currency Interest Notes" means any Notes in respect of which the "Variable Linked Interest Provisions" are specified to be applicable in the relevant Pricing Supplement and the "Type of Interest" is specified to be anything other than "Commodity Linked Interest", "FX Linked Interest", "Index Linked Interest" or "Share Linked Interest".

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000), as may be specified in the relevant Pricing Supplement for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Partial Distributions" has the meaning given in General Condition 13.2b (*Obligation to pay postponed*).

"Partly Paid Notes" means any Note in relation to which the initial subscription moneys are payable to the Issuer in one or more instalments.

"Paying Agent" means any agent appointed as such pursuant to the Agency Agreement.

"Payment Day" has the meaning given in General Condition 12.2 (*Payments on Payment Days*).

"Payment Disruption Event" means:

- (a) an event in relation to a Relevant Payment Jurisdiction which has the effect of preventing, restricting or delaying the Calculation Agent or Issuer from:
 - (i) converting a Relevant Currency into another Relevant Currency through customary legal channels; or
 - (ii) converting a Relevant Currency into another Relevant Currency at a rate at least as favourable as the rate for domestic institutions located in the Relevant Payment Jurisdiction; or
 - (iii) delivering any Relevant Currency from accounts inside the Relevant Payment Jurisdiction to accounts outside the Relevant Payment Jurisdiction; or
 - (iv) delivering a Relevant Currency between accounts inside the Relevant Payment Jurisdiction or to a party that is a non-resident of the Relevant Payment Jurisdiction;
- (b) the imposition by the Relevant Payment Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines (acting in good faith and in a commercially reasonable manner) is likely to materially affect the Securities, and notice thereof is given by the Issuer to the Holders in accordance with General Condition 25 (Notices);
- (c) the implementation by the Relevant Payment Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Relevant Payment Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to affect materially the Issuer's ability to hedge its obligations under the Securities; or

- (d) an event as a result of which the Issuer in respect of a Security is prohibited, unable, or otherwise fails to make any payment, or any portion thereof, or to perform any other obligation because or arising out of an act of war, insurrection or civil strife, an action by any government or governmental authority or instrumentality thereof (whether de jure or de facto), legal constraint, terrorism, riots or catastrophe.

"Payment Event Cut-off Date" means the date which is one year after the Maturity Date, Redemption Date, Settlement Date or any other date which is the last date on which amounts under the Securities would be due and payable by the Issuer (as the case may be) if not for the occurrence of a Payment Disruption Event, as determined by the Calculation Agent acting in good faith.

"Permanent Bearer Global Security" has the meaning given in General Condition 1.1c)(ii) (*Exchange of Bearer Securities other than French Bearer Securities and German Securities*) or General Condition 1.1c)(iii) (*Exchange of German Securities*), as the case may be.

"Permanent Global Security" means a Permanent Bearer Global Security and/or a Permanent Registered Global Security.

"Permanent Registered Global Security" means a Permanent Global Security in registered form.

"Permitted Transferee", (i) for the purpose of General Condition 2.3a)(ii) (*Rule 144A Securities*), has the meaning given in that General Condition, or (ii) for the purpose of General Condition 2.3a)(iii) (*Regulation S/Rule 144A Warrants*), has the meaning given in that General Condition.

"Physical Settlement" means (a) for Warrants, either Holder Physical Settlement or Issuer Physical Settlement, (b) for Certificates, the delivery of Reference Assets in discharge of the obligation to pay the Redemption Amount from the Issuer to the Holders as specified in the relevant Pricing Supplement, and (c) for Notes, the delivery of Reference Assets in discharge of the obligation to pay the Final Redemption Amount from the Issuer to the Holders as specified in the relevant Pricing Supplement.

"Physical Settlement Cut-Off Date" means the relevant date specified in the relevant Pricing Supplement (or if that day is not a Clearing System Business Day, the next following such Clearing System Business Day).

"Potential Exercise Date" means each date specified as such in the relevant Pricing Supplement, provided that if "Potential Exercise Date subject to Valuation Date adjustment" is stated to be applicable in the relevant Pricing Supplement, then any Specific Product Provisions specified to be applicable in the relevant Pricing Supplement shall apply to the Potential Exercise Date as if such date were a Valuation Date.

"Pricing Supplement" has the meaning given in Part A (*Introduction*).

"Primary Source" means the source specified as such in the relevant Pricing Supplement.

"Principal Financial Centre" in respect of Notes has the meaning given in General Condition 4.2b)(ii) (*Screen Rate Determination for Floating Rate Notes*) and in respect of Certificates has the meaning given in General Condition 8.3b)(ii) (*Screen Rate Determination for Floating Rate Coupon*).

"Principal Programme Agent" means The Bank of New York Mellon, acting through its London branch, and includes any successor or additional agent or any other such agent identified as such in the relevant Pricing Supplement.

"Proceedings" means any legal action or proceedings arising out of or in connection with the Securities.

"Programme" has the meaning given in Part A (*Introduction*).

"Prospectus Directive" means Directive 2003/71/EC, as amended by Directive 2010/73/EU, and includes any relevant implementing measure in each Relevant Member State.

"Put Option Exercise Notice" means a notice in the form obtainable from the Relevant Programme Agent.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"QP" means a "qualified purchaser" as defined in Section 2(a)(51) and related rules under the Investment Company Act.

"Qualified Offshore Client" means (a) an entity not organised or incorporated under the laws of the United States and not engaged in a trade or business in the United States for U.S. federal income tax purposes, (b) a natural person who is not a U.S. resident or (c) any entity not organised or incorporated under the laws of the United States substantially all of the outstanding voting securities of which are beneficially owned by persons described in (a) or (b) above, which is represented by a U.S. resident professional fiduciary that is not a registered broker-dealer or a bank acting in a broker-dealer capacity within the meaning of Rule 15a-6(a)(4)(i) under the Exchange Act.

"Quota" means, if Maximum Exercise Number is specified in the relevant Pricing Supplement as being applicable, a number of Securities equal to such Maximum Exercise Number.

"Rate of Exchange" has the meaning given in the relevant Pricing Supplement.

"Rate of Interest" means the rate of interest payable from time to time in respect of the Note and that is either specified or calculated in accordance with the provisions in the relevant Pricing Supplement.

"Record Date" has the meaning given in General Condition 6.2i) (*Record Date*) or General Condition 9.6d) (*Record Date*) or General Condition 11.3k) (*Record Date*), in each case as applicable.

"Redemption Amount" means the redemption amount specified as such in the relevant Pricing Supplement.

"Redemption Date" means the date specified as such in the relevant Pricing Supplement.

"Redenomination Date" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Holders pursuant to General Condition 20.1 (*Redenomination of Notes*) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union.

"Reference Asset" or **"Reference Assets"** has the meaning specified in the relevant Pricing Supplement.

"Reference Asset Amount" or **"Reference Asset Amounts"** means the amount of Reference Assets, as specified in the relevant Pricing Supplement, which is to be delivered by the Delivery Agent on behalf of the Issuer on the date specified in the relevant Pricing Supplement.

"Reference Asset Transfer Notice" means a notice, substantially in the form set out in the Agency Agreement (and which may be obtained during normal business hours from the specified office of the Relevant Programme Agent), which shall:

- (a) specify the name and address of the relevant Holder, any account details required for delivery as set out in the relevant Pricing Supplement and the person from whom the Issuer may obtain details for the delivery of the Reference Asset Amount if such delivery is to be made otherwise than in the manner specified in the relevant Pricing Supplement;

- (b) contain a Non-U.S. Certification and confirm that delivery of the Reference Asset Amount(s) will not be made in the United States or, in the case of Rule 144A Securities or Regulation S/Rule 144A Warrants, contain an Eligible Investor Certification;
- (c) in the case of Securities represented by a Global Security, specify the nominal amount of Securities which are the subject of such notice and the number of the Holder's account to be debited with such Securities and irrevocably instruct and authorise any Relevant Clearing System (if applicable), to debit the relevant Holder's account with such Securities on the relevant Interest Payment Date(s) or Coupon Payment Date(s) and/or the Settlement Date, the Redemption Date or the Maturity Date, as the case may be;
- (d) include an undertaking to pay all Delivery Expenses and, in the case of Securities represented by a Global Security, an authority to debit a specified account of the Holder in respect thereof and to pay such Delivery Expenses;
- (e) authorise the production of such notice in any applicable administrative or legal proceedings; and
- (f) in the case of Securities that may be settled by way of Physical Settlement of underlying shares of a company, contain an Equity Certification which includes certain representations with respect to such shares.

"Reference Banks" means the institutions specified as such in the relevant Pricing Supplement or, if none, five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

"Register" has the meaning given in General Condition 1.2a) (*Title to Registered Securities (other than Danish Notes, Finnish Securities, Norwegian Securities, Swedish Securities, French Registered Securities and Swiss Securities)*).

"Registered Certificates" means Certificates in registered form.

"Registered Global Note" means a global note in registered form.

"Registered Global Security" means a Permanent Registered Global Security or a Temporary Registered Global Security.

"Registered Notes" means Notes in registered form.

"Registered Securities" means any Securities specified as such in the relevant Pricing Supplement and includes Securities regarded as Registered Securities for the purposes of these General Conditions pursuant to General Condition 1.1b) (*Registered Securities*) and any Securities in registered definitive form following exchange from a Global Security in accordance with the Conditions (and each shall be a **"Registered Security"**).

"Registered Warrants" means Warrants in registered form.

"Registrar" means, in respect of (i) Danish Notes, the Danish Registrar, (ii) Finnish Securities, the Finnish Registrar, (iii) Norwegian Securities, the Norwegian Registrar, (iv) Swedish Securities, the Swedish Registrar, (v) French Registered Securities, the French Registration Agent, (vi) Swiss Securities, the Swiss Registrar and (vii) all other Registered Securities, The Bank of New York Mellon, or any successor to any of the above entities appointed in accordance with the Agency Agreement or other such registrar identified as such in the relevant Pricing Supplement.

"Regular Period" means:

- (a) in the case of Securities where interest on the Notes or the coupon on the Certificates is scheduled to be paid only by means of regular payments, each period from and including (or in the case of Swedish Securities, excluding) the Issue Date to but excluding (or in the

case of Swedish Securities, including) the first Interest Payment Date, or Coupon Payment Date (as applicable) and each successive period from and including (or in the case of Swedish Securities, excluding) one Interest Payment Date or Coupon Payment Date (as applicable) to but excluding (or in the case of Swedish Securities, including) the next Interest Payment Date or Coupon Payment Date (as applicable);

- (b) in the case of Securities where, apart from the first Interest Payment Date or Coupon Payment Date (as applicable), interest is scheduled to be paid only by means of regular payments, each period from and including (or in the case of Swedish Securities, excluding) a Regular Date falling in any year to but excluding (or in the case of Swedish Securities, including) the next Regular Date, where "Regular Date" means the day and month (but not the year) on which any Interest Payment Date or Coupon Payment Date (as applicable), falls; and
- (c) in the case of Securities where, apart from one Interest Period or Coupon Period (as applicable), other than the first Interest Period or Coupon Period (as applicable), interest is scheduled to be paid only by means of regular payments, each period from and including (or in the case of Swedish Securities, excluding) a Regular Date falling in any year to but excluding (or in the case of Swedish Securities, including) the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date or Coupon Payment Date (as applicable) falls other than the Interest Period or Coupon Period falling at the end of the irregular Interest Period, or Coupon Period (as applicable).

"**Regulation S**" means Regulation S under the Securities Act, as may be amended from time to time.

"**Regulation S/Rule 144A Warrants**" has the meaning given in General Condition 1.1b)(ix) (*Regulation S/Rule 144A Warrants*).

"**Relevant Clearing System(s)**" means the clearing system(s) in which a Global Security for a Series or Tranche of Securities has been deposited as specified in the relevant Pricing Supplement, which may be Euroclear, Clearstream, Luxembourg, Clearstream Frankfurt, DTC, SIS, or any clearing system through which Securities in dematerialised or uncertificated form are cleared, including Euroclear France, Euroclear Sweden, VP, VPS, Euroclear Finland and SIS, and, as the case may be, the clearing system or other appropriate method selected by the Issuer to effect the settlement and delivery of a Reference Asset in the case of an issue of Securities to which Physical Settlement applies.

"**Relevant Currency**" means the currency specified as such in the relevant Pricing Supplement.

"**Relevant Date**" in respect of any Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holder that, upon further presentation of the Security being made in accordance with these General Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"**Relevant Financial Centre**" means, with respect to any Rate of Interest to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Pricing Supplement or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

"**Relevant Jurisdiction**" means the country (or any political subdivision or taxing authority thereof or therein) in which the Issuer or relevant Guarantor (as applicable) is organised or incorporated or in which payments of any present or future tax, assessment or other governmental charge of whatever nature are regarded as being sourced.

"**Relevant Member State**" means each member state of the European Economic Area which has implemented the Prospectus Directive.

"Relevant Payment Jurisdiction" means such jurisdiction(s) as determined by the Calculation Agent in its reasonable commercial discretion.

"Relevant Programme Agent" means, in respect of (i) Danish Notes, the Danish Programme Agent, (ii) Swedish Securities, the Swedish Programme Agent, (iii) Norwegian Securities, the Norwegian Programme Agent, (iv) Finnish Securities, the Finnish Programme Agent, (v) Swiss Securities, the Swiss Programme Agent, (vi) French Securities, the French Programme Agent, (vii) German Securities clearing through Clearstream Frankfurt, the German Programme Agent, (viii) German Securities clearing through Euroclear and/or Clearstream, Luxembourg, the Principal Programme Agent, (ix) Rule 144A Securities, the Principal Programme Agent, or (x) all other Securities, the Principal Programme Agent, and includes any successor or additional agent or any other agent identified as such in the relevant Pricing Supplement.

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

"Relevant Record Date" means, in respect of (i) Danish Notes, the Danish Record Date, (ii) Finnish Securities, the Finnish Record Date, (iii) Norwegian Securities, the Norwegian Record Date, (iv) Swedish Securities, the Swedish Record Date and (v) all other Registered Securities, the Record Date.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Pricing Supplement or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "local time" means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 hours, Brussels Time.

"Representative" has the meaning given in General Condition 22.3b) (*Legal Personality*).

"Representative Amount" means, with respect to any Rate of Interest to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Pricing Supplement or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"Residual Cash Amount" or **"Residual Cash Amounts"** means the amount or amounts specified as such in the relevant Pricing Supplement.

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Certificates" means any Certificates which are specified to be Rule 144A Securities in the relevant Pricing Supplement.

"Rule 144A Notes" means any Notes which are specified to be Rule 144A Securities in the relevant Pricing Supplement.

"Rule 144A Securities" has the meaning given in General Condition 1.1b)(viii) (*Rule 144A Securities*). For the avoidance of doubt, Regulation S/Rule 144A Warrants shall not be considered to be Rule 144A Securities.

"Rule 144A Warrants" means any Warrants which are specified to be Rule 144A Securities in the relevant Pricing Supplement.

"Scheduled Trading Day" has the meaning given in the Share Linked Provisions and the Index Linked Provisions, as applicable.

"Securities" has the meaning given in Part A (*Introduction*).

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Series" has the meaning given in Part A (*Introduction*).

"Settlement Amount" means the settlement amount specified as such in the relevant Pricing Supplement.

"Settlement Cycle" has the meaning given in the Share Linked Provisions or the Index Linked Provisions, as applicable.

"Settlement Date" means, subject to General Condition 12.2 (*Payments on Payment Days*) and General Condition 14 (*Physical Settlement*) unless otherwise specified in the relevant Pricing Supplement, and subject to there not having occurred a Settlement Disruption Event:

- (a) in relation to Reference Assets to be delivered in respect of an Exercise Date or Redemption Date, the date that falls one Settlement Cycle following that Exercise Date or Redemption Date (or, if such date is not a Clearing System Business Day, the next following Clearing System Business Day), unless a Settlement Disruption Event prevents delivery of such Reference Assets on that date. If a Settlement Disruption Event prevents delivery of a Reference Asset on that date, General Condition 14.6 (*Settlement Disruption Event*) shall apply; and
- (b) in relation to payment of the Settlement Amount or Redemption Amount, the date specified or otherwise determined as provided in the relevant Pricing Supplement.

"Settlement Disruption Event" means an event beyond the control of the Issuer or any Hedging Entity (including illiquidity in the market for the relevant Reference Assets or any legal prohibition, or material restriction imposed by any law, order or regulation on the ability of the Issuer or any Hedging Entity, to deliver the Reference Asset) as a result of which, in the opinion of the Calculation Agent (acting in good faith and in a commercially reasonable manner), delivery of the Reference Asset Amount by or on behalf of the Issuer, in accordance with these General Conditions and/or the relevant Pricing Supplement is illegal or is not practicable, or as a result of which the Relevant Clearing System cannot clear the transfer of the relevant Reference Assets.

"Share" and **"Shares"** have the meaning given in the Share Linked Provisions.

"Share Linked Interest Notes" means any Notes in respect of which the "Variable Linked Interest Provisions" are specified to be applicable in the relevant Pricing Supplement and the "Type of Interest" is designated as "Share Linked Interest".

"Share Linked Provisions" has the meaning given in Part A (*Introduction*).

"Share Linked Securities" means any Securities in respect of which the "Share Linked Provisions" are specified to be applicable in the relevant Pricing Supplement.

"SIS" means SIX SIS AG, or any successor or replacement clearing system accepted by the SIX Swiss Exchange.

"Specific Product Provisions" has the meaning given in Part A (*Introduction*).

"Specified Coupon Period" means the period specified as such in the relevant Pricing Supplement.

"Specified Currency" means the currency specified as such in the relevant Pricing Supplement or, if none is specified, the currency in which the Securities are denominated.

"Specified Denomination" means the denomination specified as such in the relevant Pricing Supplement.

"Specified Duration" means, with respect to any Rate of Interest to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified as such in the relevant Pricing Supplement or, if none is specified, a period of time equal to the relevant Interest Period, ignoring any adjustment pursuant to General Condition 12.1 (*Business Day Convention*).

"Swedish Certificates" means any Certificates which are specified to be Swedish Securities in the relevant Pricing Supplement.

"Swedish CSD" means the Swedish central securities deposit (*central värdepappersförvarare*) (which is expected to be Euroclear Sweden).

"Swedish CSD Rules" means Swedish laws, regulations and operating procedures applicable to and/or issued by the Swedish CSD (which is expected to be Euroclear Sweden).

"Swedish Notes" means any Notes which are specified to be Swedish Securities in the relevant Pricing Supplement.

"Swedish Programme Agent" means Swedbank AB (publ), or any successor or additional agent appointed in connection with the relevant Swedish Securities in accordance with the Agency Agreement.

"Swedish Record Date" has the meaning given in General Condition 6.2f) (*Payments in respect of Swedish Notes*) in respect of Swedish Notes, the meaning given in General Condition 9.6d)(iii) (*Record Date*) in respect of Swedish Certificates and the meaning given in General Condition 11.3k)(iii) (*Record Date*) in respect of Swedish Warrants.

"Swedish Register" has the meaning given in General Condition 1.2f) (*Title to Swedish Securities*).

"Swedish Registrar" means the Swedish CSD.

"Swedish Securities" has the meaning given in General Condition 1.1b)(vi) (*Swedish Securities*) and means Swedish Notes, Swedish Warrants and/or Swedish Certificates as the context may require.

"Swedish Warrants" means any Warrants which are specified to be Swedish Securities in the relevant Pricing Supplement.

"Swiss Certificates" means any Certificates which are specified to be Swiss Securities in the relevant Pricing Supplement.

"Swiss Global Security" has the meaning given in General Condition 1.1b)(vii) (*Swiss Securities*).

"Swiss Notes" means any Notes which are specified to be Swiss Securities in the relevant Pricing Supplement.

"Swiss Programme Agent" means Credit Suisse AG, or any successor or additional agent appointed in connection with the Swiss Securities in accordance with the Agency Agreement.

"Swiss Register" means the register of Swiss Securities kept by the Swiss Registrar.

"Swiss Registrar" means Credit Suisse AG, or any successor appointed in accordance with the Agency Agreement.

"Swiss Securities" has the meaning given in General Condition 1.1b)(vii) (*Swiss Securities*) and means Swiss Notes, Swiss Warrants and/or Swiss Certificates as the context may require.

"TARGET2" means the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system or any successor thereto.

"TARGET2 Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro.

"Tax Termination Event" has the meaning given in General Condition 17.3 (*Early Redemption or Termination for Taxation – FATCA*).

"Temporary Bearer Global Security" has the meaning given in General Condition 1.1a) (*Bearer Securities*).

"Temporary Global Security" means a Temporary Bearer Global Security and/or a Temporary Registered Global Security.

"Temporary Registered Global Security" has the meaning given in General Condition 1.1b) (*Registered Securities*).

"Termination Event" has the meaning given in General Condition 16 (*Early Redemption or Termination for Illegality*).

"Tranche" has the meaning given in Part A (*Introduction*).

"Transfer Agent" means, in respect of Registered Securities (other than Swiss Securities) in definitive form, The Bank of New York Mellon.

"Treaty" means the Treaty establishing the European Community, as amended.

"Underlying Hedge Entity" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer.

"Underlying Hedge Tax Jurisdiction" means (i) the country (or any political subdivision or taxing authority thereof or therein) in which the Underlying Hedge Entity is organised or incorporated or in which payments of any present or future tax, assessment or other governmental charge of whatever nature are regarded as being sourced, (ii) the United States and (iii) any other jurisdiction that enters into an intergovernmental agreement with the United States in furtherance of FATCA.

"Underlying Hedge Transactions" means, in relation to the Securities, any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange or (b) other instruments or arrangements (howsoever described) in order to hedge individually or on a portfolio basis the Issuer's obligations under such Securities.

"United States" means the United States of America (including the States thereof and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

"U.S. Person" means (i) in respect of any Regulation S/Rule 144A Warrants, any person which is a "U.S. person" as defined in Rule 902(k) of Regulation S (as may be amended from time to time) or (ii) in respect of any Securities other than Regulation S/Rule 144A Warrants, any person which is a "U.S. person" as defined in Rule 902(k) of Regulation S (as may be amended from time to time) or any person which is a "United States person" as defined in section 7701(a)(30) of the Code and Treasury regulations thereunder (as may be amended from time to time), as the context requires.

"Valuation Date" means any date specified as such in the relevant Pricing Supplement.

"VP" means the depository and clearing centre operated by VP Securities A/S or any successor or replacement thereto.

"VP Rules" means Danish laws, regulations and operating procedures applicable to and/or issued by the VP.

"VPS" means the Norwegian Central Securities Depository (Verdipapirsentralen ASA) or any successor or replacement thereto.

"VPS Register" has the meaning given in General Condition 1.2e) (*Title to Norwegian Securities*).

"VPS Rules" means Norwegian laws, regulations and operating procedures applicable to and/or issued by the VPS.

"Warrant Account Notice" means a notice (substantially in the form which can be obtained from the Relevant Programme Agent) stating the Relevant Clearing System account number and name of the person to whom the Reference Asset(s) is to be delivered (if any) and all other amounts payable by the Issuer in respect of the applicable Securities are to be paid.

"Warrants" has the meaning given in Part A (*Introduction*).

"Zero Coupon Notes" means any Notes in respect of which the "Zero Coupon Note Provisions" are specified to be applicable in the relevant Pricing Supplement.

30.2 Interpretation

- a) Capitalised terms used but not defined in these General Conditions will have the meanings given to them in the relevant Pricing Supplement, the absence of any such meaning indicating that such term is not applicable to the Securities of the relevant Series.
- b) A reference to a "person" in these General Conditions includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.
- c) A reference in these General Conditions to a provision of law is a reference to that provision as amended or re-enacted.
- d) Part, General Condition and Specific Product Provision headings are for ease of reference only.
- e) References in these General Conditions to a company or entity shall be deemed to include a reference to any successor or replacement thereto.

ANNEX 2
SPECIFIC PRODUCT PROVISIONS
INDEX LINKED PROVISIONS

Contents of Annex 2 (*Specific Product Provisions – Index Linked Provisions*)

- 1. Consequences of Disrupted Days**
 - 1.1 Single Index and Reference Dates
 - 1.2 Single Index and Averaging Reference Dates
 - 1.3 Index Basket and Reference Dates
 - 1.4 Index Basket and Averaging Reference Dates
 - 1.5 Formula for and method of calculating an Index level after the Maximum Days of Disruption
- 2. Fallback Valuation Date**
- 3. Correction of Index levels**
- 4. Consequences of Successors and Index Adjustment Events**
 - 4.1 Consequences of a Successor Index Sponsor or a Successor Index
 - 4.2 Consequences of an Index Adjustment Event
- 5. Consequences of an Additional Disruption Event**
- 6. Index Disclaimer**
- 7. Definitions**

The terms and conditions set out in this Annex 2 apply to Securities for which the relevant Pricing Supplement specifies that the Index Linked Provisions shall apply.

1. Consequences of Disrupted Days
 - 1.1 **Single Index and Reference Dates**

Where the Securities relate to a single Index, and if the Calculation Agent determines that any Reference Date is a Disrupted Day, then the Reference Date shall be the first succeeding Scheduled Trading Day in respect of the Index that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days in respect of the Index equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day. In that case:

- (a) the last consecutive Scheduled Trading Day in respect of the Index shall be deemed to be the Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the level of the Index as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day in respect of the Index in accordance with Index Linked Provision 1.5 (*Formula for and method of calculating an Index level after the Maximum Days of Disruption*), and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Closing Index Level in respect of the Reference Date.

- 1.2 **Single Index and Averaging Reference Dates**

Where the Securities relate to a single Index, and if the Calculation Agent determines that any Averaging Reference Date is a Disrupted Day and, in the relevant Pricing Supplement the consequence specified is:

- (a) **"Omission"**, then the Averaging Reference Date will be deemed not to be a relevant Averaging Reference Date, provided that, if through the operation of this provision there would be no Averaging Reference Dates then the sole Averaging Reference Date for the Index shall be the first succeeding Scheduled Trading Day in respect of the Index following the final Scheduled Averaging Reference Date that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days in respect of the Index equal in number to the Maximum Days of Disruption immediately following such final Scheduled Averaging Reference Date is a Disrupted Day. In that case:
- (i) the last consecutive Scheduled Trading Day in respect of the Index shall be deemed to be the sole Averaging Reference Date for the Index, notwithstanding the fact that such day is a Disrupted Day; and
 - (ii) the Calculation Agent shall determine the level of the Index as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day in respect of the Index in accordance with Index Linked Provision 1.5 (*Formula for and method of calculating an Index level after the Maximum Days of Disruption*), and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Closing Index Level in respect of the sole Averaging Reference Date;
- (b) **"Postponement"**, then the Averaging Reference Date shall be the first succeeding Scheduled Trading Day in respect of the Index following the Scheduled Averaging Reference Date that the Calculation Agent determines is not a Disrupted Day (irrespective of whether that deferred Averaging Reference Date is already or is deemed to be another Averaging Reference Date), unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days in respect of the Index equal in number to the Maximum Days of Disruption immediately following the Scheduled Averaging Reference Date is a Disrupted Day. In that case:
- (i) the last consecutive Scheduled Trading Day in respect of the Index shall be deemed to be the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day in respect of the Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
 - (ii) the Calculation Agent shall determine the level of the Index as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day in respect of the Index in accordance with Index Linked Provision 1.5 (*Formula for and method of calculating an Index level after the Maximum Days of Disruption*), and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Closing Index Level in respect of the relevant Averaging Reference Date; or
- (c) **"Modified Postponement"**, then the Averaging Reference Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the last consecutive Scheduled Trading Day in respect of the Index equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date, then:
- (i) that last consecutive Scheduled Trading Day in respect of the Index shall be deemed to be the Averaging Reference Date (irrespective of whether that last consecutive Scheduled Trading Day in respect of the Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
 - (ii) the Calculation Agent shall determine the level of the Index as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day in respect of the Index in accordance with Index Linked Provision 1.5 (*Formula for and method of calculating an Index level after the Maximum Days of Disruption*), and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the Closing Index Level in respect of the relevant Averaging Reference Date.

If the Calculation Agent determines that any Averaging Reference Date is a Disrupted Day and, if in the relevant Pricing Supplement no consequence is specified, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

1.3 Index Basket and Reference Dates

Where the Securities relate to a basket of Indices, and if the Calculation Agent determines that any Reference Date is a Disrupted Day, then:

- (a) the Reference Date for each Index which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the Scheduled Reference Date; and
- (b) the Reference Date for each Index which the Calculation Agent determines is affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day in respect of such Index that the Calculation Agent determines is not a Disrupted Day relating to that Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days in respect of such Index equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day relating to that Index. In that case:
 - (i) the last consecutive Scheduled Trading Day in respect of such Index shall be deemed to be the Reference Date for the Index, notwithstanding the fact that such day is a Disrupted Day; and
 - (ii) the Calculation Agent shall determine the level of such Index as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day in respect of such Index in accordance with Index Linked Provision 1.5 (*Formula for and method of calculating an Index level after the Maximum Days of Disruption*), and such determination by the Calculation Agent pursuant to this paragraph (ii) shall be deemed to be the relevant Closing Index Level in respect of the Reference Date.

1.4 Index Basket and Averaging Reference Dates

Where the Securities relate to a basket of Indices, and if the Calculation Agent determines that any Averaging Reference Date is a Disrupted Day and, in the relevant Pricing Supplement the consequence specified is:

- (a) **"Omission"**, then the Averaging Reference Date will be deemed not to be an Averaging Reference Date, provided that, if through the operation of this provision there would be no Averaging Reference Dates, then:
 - (i) the sole Averaging Reference Date for each Index which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the final Scheduled Averaging Reference Date; and
 - (ii) the sole Averaging Reference Date for each Index which the Calculation Agent determines is affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day in respect of such Index following the final Scheduled Averaging Reference Date that the Calculation Agent determines is not a Disrupted Day relating to such Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days in respect of such Index equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date is a Disrupted Day relating to that Index. In that case:
 - (A) that last consecutive Scheduled Trading Day in respect of such Index shall be deemed to be the sole Averaging Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day; and
 - (B) the Calculation Agent shall determine the level of such Index as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day in respect of such Index in accordance with Index Linked Provision 1.5 (*Formula for and method of calculating an Index level after the Maximum Days of Disruption*), and such determination by the Calculation Agent pursuant to this paragraph (B) shall be deemed to be the relevant Closing Index Level in respect of the sole Averaging Reference Date;
- (b) **"Postponement"**, then:

- (i) the Averaging Reference Date for each Index which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Reference Date; and
 - (ii) the Averaging Reference Date for each Index which the Calculation Agent determines is affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day in respect of such Index following the Scheduled Averaging Reference Date that the Calculation Agent determines is not a Disrupted Day relating to that Index (irrespective of whether that deferred Averaging Reference Date is or is deemed to be another Averaging Reference Date), unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days in respect of such Index equal in number to the Maximum Days of Disruption immediately following the Scheduled Averaging Reference Date is a Disrupted Day relating to such Index. In that case:
 - (A) the last consecutive Scheduled Trading Day in respect of such Index shall be deemed to be such Averaging Reference Date for the Index (irrespective of whether that last consecutive Scheduled Trading Day in respect of such Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
 - (B) the Calculation Agent shall determine the level of such Index as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day in respect of such Index in accordance with Index Linked Provision 1.5 (*Formula for and method of calculating an Index level after the Maximum Days of Disruption*), and such determination by the Calculation Agent pursuant to this paragraph (B) shall be deemed to be the relevant Closing Index Level in respect of the relevant Averaging Reference Date; or
- (c) **"Modified Postponement"**, then:
- (i) the Averaging Reference Date for each Index which the Calculation Agent determines is not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Reference Date; and
 - (ii) the Averaging Reference Date for each Index which the Calculation Agent determines is affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date relating to such Index. If the first succeeding Valid Date has not occurred as of the relevant Valuation Time on the last consecutive Scheduled Trading Day in respect of such Index equal in number to the Maximum Days of Disruption immediately following the final Scheduled Averaging Reference Date:
 - (A) that last consecutive Scheduled Trading Day in respect of such Index shall be deemed to be the Averaging Reference Date for such Index (irrespective of whether that last consecutive Scheduled Trading Day in respect of such Index is already or is deemed to be another Averaging Reference Date or is a Disrupted Day); and
 - (B) the Calculation Agent shall determine the relevant level of such Index as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day in respect of such Index in accordance with Index Linked Provision 1.5 (*Formula for and method of calculating an Index level after the Maximum Days of Disruption*), and such determination by the Calculation Agent pursuant to this paragraph (B) shall be deemed to be the relevant Closing Index Level in respect of the relevant Averaging Reference Date.

If the Calculation Agent determines that any Averaging Reference Date is a Disrupted Day and, if in the relevant Pricing Supplement no consequence is specified, then it shall be deemed that the consequence specified in "Modified Postponement" will apply.

1.5 **Formula for and method of calculating an Index level after the Maximum Days of Disruption**

The Calculation Agent shall determine the level of the Index as of the relevant Valuation Time on or in respect of the relevant last consecutive Scheduled Trading Day, pursuant to Index Linked Provisions 1.1(b), 1.2(a)(ii), 1.2(b)(ii), 1.2(c)(ii), 1.3(b)(ii), 1.4(a)(ii)(B), 1.4(b)(ii)(B) and 1.4(c)(ii)(B), in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the relevant first Disrupted Day, using:

- (a) in respect of a Unitary Index or Multi-Exchange Index, the Exchange traded or quoted price as of the Valuation Time on the last consecutive Scheduled Trading Day of each Component comprised in the Index (or, if an event giving rise to a Share Disrupted Day has occurred in respect of any relevant Component that is a Share (or an analogous event has occurred in respect of any relevant Component that is not a Share) on such last consecutive Scheduled Trading Day for any relevant Component, or such last consecutive Scheduled Trading Day is not a Scheduled Trading Day for any relevant Component, as determined by the Calculation Agent, its good faith estimate of the value for the relevant Component as of the Valuation Time on the last consecutive Scheduled Trading Day); and
- (b) in respect of a Proprietary Index, such levels or values as the Calculation Agent determines to be appropriate as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day of each Component comprised in the Index.

2. **Fallback Valuation Date**

Notwithstanding any other terms of the Index Linked Provisions, if a Fallback Valuation Date is specified in the relevant Pricing Supplement to be applicable to any Reference Date or Averaging Reference Date (any such date being, a "**Relevant Date**"), and if:

- (a) following adjustment of the original date on which such Relevant Date is scheduled to fall pursuant to adjustment of the Relevant Date pursuant to either or both of (i) Index Linked Provision 1 (*Consequences of Disrupted Days*) or (ii) Index Linked Provision 7 (*Definitions*), the Relevant Date in respect of an Index would otherwise fall after the Fallback Valuation Date in respect of the Index; or
- (b) the Maximum Days of Disruption for the Relevant Date is specified to be "Zero" or "None",

then the Fallback Valuation Date shall be deemed to be the Relevant Date for the Index. If the Fallback Valuation Date is not a Scheduled Trading Day or is a Disrupted Day relating to that Index, as the case may be, then the Calculation Agent shall determine the Closing Index Level as of the Valuation Time on the Fallback Valuation Date in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first day that is not a Scheduled Trading Day or is a Disrupted Day, using:

- (y) in respect of any Unitary Index or Multi-Exchange Index, the Exchange traded or quoted price as of the Valuation Time on the Fallback Valuation Date of each Component comprised in the Index (or, if an event giving rise to a Share Disrupted Day has occurred in respect of any relevant Component that is a Share (or an analogous event has occurred in respect of any relevant Component that is not a Share) on such Fallback Valuation Date or such Fallback Valuation Date is not a Scheduled Trading Day for any relevant Component, as determined by the Calculation Agent, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on the Fallback Valuation Date); and
- (z) in respect of any Proprietary Index, such levels or values as the Calculation Agent determines to be appropriate as of the Valuation Time on the Fallback Valuation Date of each Component comprised in the Index,

and such determination by the Calculation Agent pursuant to this Index Linked Provision 2 shall be deemed to be the relevant Closing Index Level in respect of the Relevant Date.

If the level of a Proprietary Index in respect of a Relevant Date is scheduled to be published on a day other than such Relevant Date, and such level of the Proprietary Index is not published as of the Valuation Time on the Fallback Valuation Date, then the Calculation Agent shall determine the level of the Proprietary Index as of the Valuation Time on or in respect of the Fallback Valuation Date in accordance with the formula for and method of calculating the Proprietary Index last in effect prior to the occurrence of the first day that is not a Scheduled Trading Day or is a Disrupted Day, using such levels or values as the Calculation Agent determines to be appropriate as of the Valuation Time on the Fallback Valuation Date of each Component comprised in such Proprietary Index. Such determination by the Calculation Agent pursuant to this Index Linked Provision 2 shall be deemed to be the relevant level of the Proprietary Index in respect of the Relevant Date.

3. **Correction of Index levels**

In the event that any relevant level of an Index published by the Index Sponsor on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Index Sponsor:

- (a) by the second Business Day prior to the next date on which any relevant payment may have to be made by the Issuer or in respect of which any relevant determination in respect of the Securities may have to be made; or
- (b) if earlier and if the Index is a Unitary Index or Multi-Exchange Index, one Settlement Cycle after the original publication,

then the Calculation Agent may determine the amount that is payable or deliverable or make any determination in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

4. **Consequences of Successors and Index Adjustment Events**

4.1 **Consequences of a Successor Index Sponsor or a Successor Index**

If an Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent (a "**Successor Index Sponsor**") or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Index, then in each case such index (the "**Successor Index**") will be deemed to be the Index.

The Calculation Agent may make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for such successor.

4.2 **Consequences of an Index Adjustment Event**

If an Index Adjustment Event has occurred, as determined by the Calculation Agent, the Calculation Agent will determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant level of the Index using, in lieu of a published level for such Index, the level for such Index as at or in respect of the relevant Reference Date or Averaging Reference Date, or any other relevant date as determined by the Calculation Agent, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating such Index last in effect prior to the relevant Index Adjustment Event, but using only those Components that comprised such Index immediately prior to such Index Adjustment Event.

If the Calculation Agent determines, in its reasonable commercial discretion, that it is not reasonably practicable (taking into account the costs involved) to calculate or continue to calculate the Index pursuant to the preceding paragraph, the Calculation Agent may rebase the Securities against another index or basket of indices, as applicable, determined by the Calculation Agent to be comparable to the relevant Index, and, following such rebasing, the Calculation Agent will make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for such rebasing.

If the Calculation Agent determines, in its reasonable commercial discretion, that there is not such an index or basket of indices comparable to the relevant Index, and/or that application of the preceding paragraphs would not achieve a commercially reasonable result, the Calculation Agent may determine that the Securities shall be redeemed, in which event the Issuer will cause to be paid to each Holder in respect of each Security held by it an amount equal to the Early Payment Amount (as defined in General Condition 30.1 (*Definitions*)), provided that the words "(but ignoring the event which resulted in such early redemption)" shall be deemed to be deleted).

On making any such adjustment(s) or determination(s), the Calculation Agent shall give notice as soon as practicable to the Holders stating the adjustment to any amount payable under the Securities, the determination and/or any of the other relevant terms and giving brief details of the Index Adjustment Event, provided that any failure to give such notice shall not affect the validity of the Index Adjustment Event or any action taken.

5. **Consequences of an Additional Disruption Event**

Following the determination by the Calculation Agent that an Additional Disruption Event has occurred, the Calculation Agent may, in its reasonable commercial discretion:

- (a) determine to make such adjustment to the exercise, settlement, payment or any other terms of the Securities as the Calculation Agent determines appropriate to account for such Additional Disruption Event; and/or
- (b) determine and give notice to Holders that the Securities shall be redeemed, in which event the Issuer will cause to be paid to each Holder in respect of each Security held by it an amount equal to the Early Payment Amount (as defined in General Condition 30.1 (*Definitions*), provided that the words "(but ignoring the event which resulted in such early redemption)" shall be deemed to be deleted).

6. **Index Disclaimer**

The Securities are not sponsored, endorsed, sold, or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. The Issuer and the Guarantor (if any) shall have no liability to the Holders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment, or maintenance of the Index. Except as may be disclosed prior to the Issue Date and specified in the relevant Pricing Supplement, none of the Issuer, the Guarantor (if any), the Calculation Agent or any of their respective affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition, or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, the Guarantor (if any), their affiliates, or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning the Index. In addition, no representation or warranty of any type, as to condition, satisfactory quality, performance or fitness for purpose are given, or duty or liability is assumed, by the Issuer, the Guarantor (if any), their affiliates, or the Calculation Agent in respect of the Index or any data included in or omissions from the Index, or the use of the Index in connection with the Securities and all those representations and warranties are excluded, save to the extent that such exclusion is prohibited by law.

7. **Definitions**

The following terms and expressions shall have the following meanings in relation to Securities to which the Index Linked Provisions apply:

"Additional Disruption Event" means (a) a Change in Law, and, (b) if Hedging Disruption is specified in the relevant Pricing Supplement to be applicable, a Hedging Disruption.

"Averaging Date" means each date specified as such or otherwise determined as provided in the relevant Pricing Supplement, or if such date is not a Scheduled Trading Day in respect of the Index, the next following Scheduled Trading Day in respect of the Index.

"Averaging Reference Date" means each Initial Averaging Date or Averaging Date.

"Change in Law" means that, on or after the Issue Date of the Securities (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (x) it has, or it will, within the next 15 calendar days but on or prior to the Maturity Date, Redemption Date or Settlement Date, as is applicable to the Securities, become illegal to hold, acquire or dispose of Components, or (y) (if "Change in Law – Increased Cost" is specified to be applicable in the relevant Pricing Supplement) the Hedging Entity will incur a materially increased cost in performing its obligations in relation to the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"Closing Index Level" means, on any day in respect of an Index, the official closing level of such Index as of the Valuation Time on or in respect of the relevant day as calculated and published by the relevant Index Sponsor or as otherwise determined by the Calculation Agent subject as provided in the Index Linked Provisions.

"Component" means, in respect of an Index, any share, security, commodity, rate, index or other component included in such Index, as determined by the Calculation Agent.

"Component Clearance System" means, in respect of a Component of an Index, the principal domestic clearance system customarily used for settling trades in the relevant Component. If the Clearance System ceases to settle trades in such Component, the Clearance System will be determined by the Calculation Agent.

"Component Clearance System Business Day" means, in respect of a Component Clearance System, any day on which such Component Clearance System is (or, but for the occurrence of an Index Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Coupon Valuation Date" means each date specified as such or otherwise determined as provided in the relevant Pricing Supplement, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"Disrupted Day" means, either:

- (a) for any Unitary Index, any Scheduled Trading Day on which (i) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;
- (b) for any Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred; and
- (c) for any Proprietary Index, any Scheduled Trading Day on which a Market Disruption Event has occurred (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption).

"Early Closure" means:

- (a) for any Unitary Index, the closure on any Exchange Business Day of any relevant Exchange relating to Components that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; and
- (b) for any Multi-Exchange Index, the closure on any Exchange Business Day of any relevant Exchange relating to any Component or any Related Exchange prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"Exchange" means:

- (a) for any Unitary Index, each exchange or quotation system specified as such in the relevant Pricing Supplement for the Index, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange);
- (b) for any Multi-Exchange Index and any Component underlying the Index, the principal stock exchange on which such Component of the Index is, in the determination of the Calculation Agent, principally traded; and

- (c) for any Component which is a Share, the principal stock exchange on which such Component share is, in the determination of the Calculation Agent, principally traded.

"Exchange Business Day" means:

- (a) for any Unitary Index, any Scheduled Trading Day on which each Exchange and each Related Exchange for the Index are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange for the Index closing prior to its Scheduled Closing Time; and
- (b) for any Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor calculates and publishes the level of the Index and (ii) the Related Exchange for the Index is open for trading during its regular trading session, notwithstanding the Related Exchange for the Index closing prior to its Scheduled Closing Time.

"Exchange Disruption" means:

- (a) for any Unitary Index, any event (other than an Early Closure) that disrupts or impairs, as determined by the Calculation Agent, the ability of market participants in general to effect transactions in, or obtain market values for, (i) the Components on any relevant Exchange(s) that comprise 20 per cent. or more of the level of the Index or (ii) futures or options contracts relating to the Index on any relevant Related Exchange; and
- (b) for any Multi-Exchange Index, any event (other than an Early Closure) that disrupts or impairs, as determined by the Calculation Agent, the ability of market participants in general to effect transactions in, or obtain market values for, (i) any Component on the relevant Exchange in respect of such Component or (ii) futures or options contracts relating to the Index on the relevant Related Exchange.

"Fallback Valuation Date" means, in respect of any Index, the date(s) specified as such in the relevant Pricing Supplement, or, if no date is specified for the Fallback Valuation Date in the relevant Pricing Supplement, then the Fallback Valuation Date for any date on which the level of the Index is required to be determined shall be the second Business Day prior to the next following date upon which any payment or delivery of assets may have to be made by the Issuer by reference to the level of the Index on such day.

"Hedging Disruption" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of the Issuer issuing and the Issuer performing its obligations with respect to or in connection with the relevant Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Index" and **"Indices"** mean, subject to adjustment in accordance with the Index Linked Provisions, the index or indices specified as such in the relevant Pricing Supplement, and related expressions shall be construed accordingly.

"Index Adjustment Event" means an Index Cancellation, an Index Disruption or an Index Modification.

"Index Cancellation" means the occurrence of the relevant Index Sponsor or Successor Index Sponsor, as applicable, on or prior to any Reference Date, Averaging Reference Date or any other relevant date, permanently cancelling a relevant Index and no Successor Index existing as at the date of such cancellation, as determined by the Calculation Agent.

"Index Disruption" means the occurrence of the relevant Index Sponsor or Successor Index Sponsor, as applicable, on any Reference Date, Averaging Reference Date or any other relevant date, failing to calculate and announce a relevant Index level, as determined by the Calculation Agent, provided that, in respect of a Multi-Exchange Index or a Proprietary Index, the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day.

"Index Level" means, if specified to be applicable in the relevant Pricing Supplement (and subject as such term may otherwise be defined in the relevant Pricing Supplement), in respect of an Index and any relevant time on any relevant day, the official level of such Index at such time on or in respect of such day, as published by the Index Sponsor, as determined by the Calculation Agent.

"Index Modification" means the occurrence of the relevant Index Sponsor or Successor Index Sponsor, as applicable, on or prior to any Reference Date, Averaging Reference Date or any other relevant date, making or announcing that it will make a material change in the formula for, or the method of, calculating a relevant Index, or in any other way materially modifying such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in the Components, capitalisation and/or other routine events), as determined by the Calculation Agent.

"Index Settlement Disruption Event" means, in respect of a Component of an Index, an event that the Calculation Agent determines is beyond the control of the Issuer and/or its affiliates as a result of which the relevant Component Clearance System cannot clear the transfer of such Component.

"Index Sponsor" means, for any Index:

- (a) the entity specified as such in the relevant Pricing Supplement; or
- (b) if no entity is specified in the relevant Pricing Supplement, the corporation or other entity that, as determined by the Calculation Agent is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index,

and includes any corporation or other entity appointed by such entity, as determined by the Calculation Agent, that is responsible for announcing (directly or through an agent) the level of such Index on a regular basis in respect of each Scheduled Trading Day.

"Initial Averaging Date" means each date specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if such date is not a Scheduled Trading Day in respect of the Index, the next following Scheduled Trading Day in respect of the Index.

"Initial Valuation Date" means each date specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if such date is not a Scheduled Trading Day in respect of the Index, the next following Scheduled Trading Day in respect of the Index.

"Interest Valuation Date" means each date specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if such date is not a Scheduled Trading Day in respect of the Index, the next following Scheduled Trading Day in respect of the Index.

"Market Disruption Event" means:

- (a) for any Unitary Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of a Unitary Index exists at any time, if a Market Disruption Event occurs in respect of a Component included in the Index at any time, then the relevant percentage contribution of such Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to such Component and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event;

- (b) for any Multi-Exchange Index, either:

- (i) (I) the occurrence or existence, in respect of any Component, of:
 - (A) a Trading Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
 - (B) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or

- (C) an Early Closure in respect of such Component; and
- (II) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Multi-Exchange Index; or
- (ii) the occurrence or existence, in each case in respect of futures or options contracts relating to the Index, of (A) a Trading Disruption or (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange, or (C) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of a Multi-Exchange Index exists at any time, if an Early Closure, an Exchange Disruption, or a Trading Disruption occurs in respect of a Component at that time, then the relevant percentage contribution of such Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event; and

- (c) for any Proprietary Index, the failure by the Index Sponsor to calculate and publish the level of the Index on any Scheduled Trading Day or in respect of such Scheduled Trading Day within the scheduled or usual timeframe for publication.

"Maximum Days of Disruption" means eight Scheduled Trading Days or such other number of Scheduled Trading Days specified in the relevant Pricing Supplement.

"Multi-Exchange Index" means any Index which is specified as such in the relevant Pricing Supplement, or, if not specified, any Index the Calculation Agent determines as such.

"Observation Date (Closing Valuation)" means, if "Observation Period" is specified to be applicable in the relevant Pricing Supplement, in respect of an Index and an Observation Period, and unless otherwise provided in the relevant Pricing Supplement, each Scheduled Trading Day which is not a Disrupted Day for such Index falling in the Observation Period.

"Observation Date (Intra-Day Valuation)" means, if "Observation Period" is specified to be applicable in the relevant Pricing Supplement, in respect of an Index and an Observation Period, and unless otherwise provided in the relevant Pricing Supplement, each day falling in the Observation Period on which the Index Sponsor publishes one or more official levels for such Index, as determined by the Calculation Agent, regardless of whether such day is a Scheduled Trading Day or is a Disrupted Day for such Index.

"Observation Period" means, if specified to be applicable in the relevant Pricing Supplement, in respect of an Index, the period commencing on the relevant Observation Period Start Date and ending on the relevant Observation Period End Date.

"Observation Period End Date" means, if "Observation Period" is specified to be applicable in the relevant Pricing Supplement, in respect of an Index and an Observation Period, the date specified as such in the relevant Pricing Supplement, which shall be the last day of the relevant Observation Period, and shall be included or excluded from the Observation Period, as provided in the relevant Pricing Supplement.

"Observation Period Start Date" means, if "Observation Period" is specified to be applicable in the relevant Pricing Supplement, in respect of an Index and an Observation Period, the date specified as such in the relevant Pricing Supplement, which shall be the first day of the relevant Observation Period, and shall be included or excluded from the Observation Period, as provided in the relevant Pricing Supplement.

"Periodic Valuation Date" means each date specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if such date is not a Scheduled Trading Day in respect of the Index, the next following Scheduled Trading Day in respect of the Index.

"Proprietary Index" means any Index which is specified as such in the relevant Pricing Supplement, or, if not specified, any Index the Calculation Agent determines as such.

"Reference Date" means each Initial Valuation Date, Interest Valuation Date, Coupon Valuation Date, Periodic Valuation Date or Valuation Date, in each case, subject to adjustment in accordance with the Index Linked Provisions.

"Related Exchange" means:

- (a) for any Unitary Index or Multi-Exchange Index, each exchange or quotation system, if any, specified as such in the relevant Pricing Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where **"All Exchanges"** is specified as the Related Exchange, **"Related Exchange"** shall mean each exchange or quotation system (as determined by the Calculation Agent) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index; and
- (b) for any Component which is a Share, each exchange or quotation system where trading has a material effect on the overall market for futures or options contracts relating to the Component share (as determined by the Calculation Agent).

"Relevant Date" has the meaning given in Index Linked Provision 2 (*Fallback Valuation Date*).

"Scheduled Averaging Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

"Scheduled Averaging Reference Date" means each Scheduled Averaging Date or Scheduled Initial Averaging Date.

"Scheduled Closing Time" means, in respect of an Index and in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Coupon Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Coupon Valuation Date.

"Scheduled Initial Averaging Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Averaging Date.

"Scheduled Initial Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Valuation Date.

"Scheduled Interest Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Interest Valuation Date.

"Scheduled Periodic Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Periodic Valuation Date.

"Scheduled Reference Date" means each Scheduled Initial Valuation Date, Scheduled Interest Valuation Date, Scheduled Coupon Valuation Date, Scheduled Periodic Valuation Date or Scheduled Valuation Date.

"Scheduled Trading Day" means, in respect of:

- (a) any Unitary Index, any day on which each Exchange and each Related Exchange for the Index are scheduled to be open for trading for their respective regular trading sessions;
- (b) any Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange for the Index is scheduled to be open for trading for its regular trading session;

- (c) any Proprietary Index, any day on, or, as the case may be, in respect of, which the Index Sponsor is scheduled to publish the level of such Index;
- (d) any Component which is a Share, any day on which the relevant Exchange referenced by the Index and the relevant Related Exchange for such Component are scheduled to be open for trading for their respective regular trading sessions; and
- (e) any Component which is not a Share, any day on which the value, level or price, as is applicable, is scheduled to be published or disseminated, or is otherwise scheduled to be available.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"Settlement Cycle" means the period of Component Clearance System Business Days following a trade in the Components underlying the relevant Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period).

"Share" means, in respect of an Index, any share included in such Index, as determined by the Calculation Agent.

"Share Disrupted Day" means, in respect of a Component which is a Share, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which (a) a Trading Disruption, (b) an Exchange Disruption which in either case the Calculation Agent determines is material, at any time during the one-hour period which ends at the relevant Valuation Time or (c) an Early Closure has occurred in respect of such Component.

"Successor Index" has the meaning given in Index Linked Provision 4.1 (*Successor Index Sponsor or Successor Index*).

"Successor Index Sponsor" has the meaning given in Index Linked Provision 4.1 (*Successor Index Sponsor or Successor Index*).

"Trading Disruption" means:

- (a) in respect of any Unitary Index, any suspension of, or limitation imposed on, trading by any relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to Components that comprise 20 per cent. or more of the level of the Index on any relevant Exchange or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange; and
- (b) in respect of any Multi-Exchange Index, any suspension or limitation imposed on trading by any relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to any Component on the Exchange in respect of such Component or (ii) in futures or options contracts relating to the Index on the Related Exchange.

"Unitary Index" means any Index which is specified as such in the relevant Pricing Supplement, or, if not specified, any Index the Calculation Agent determines as such.

"Valid Date" means a Scheduled Trading Day in respect of the Index that is not a Disrupted Day and on which another Averaging Reference Date does not or is not deemed to occur.

"Valuation Date" means each date specified as such or otherwise determined as provided in the relevant Pricing Supplement or, if such date is not a Scheduled Trading Day in respect of the Index, the next following Scheduled Trading Day in respect of the Index.

"Valuation Time" means:

- (a) in respect of any Unitary Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Exchange, the Scheduled Closing Time of the Exchange (provided that, if the relevant Exchange closes prior to its

Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on such Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor;

- (b) in respect of any Multi-Exchange Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; and
- (c) in respect of any Proprietary Index, the time at which or in respect of which the Index Sponsor calculates and publishes the official closing level of the Index.

JPMORGAN CHASE & CO.

History, Development and Organisational Structure

JPMorgan Chase is a leading global financial services firm and one of the largest banking institutions in the United States, with operations worldwide. JPMorgan Chase had \$2.4 trillion in assets and \$204.1 billion in stockholders' equity as of 31 December 2012. JPMorgan Chase is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, asset management and private equity. Under the J.P. Morgan and Chase brands, JPMorgan Chase serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients.

JPMorgan Chase & Co. is a corporation incorporated under the General Corporation Law of the State of Delaware, U.S.A. JPMorgan Chase & Co. was incorporated on 28 October 1968 with file number 0691011. JPMorgan Chase & Co.'s principal bank subsidiaries are JPMorgan Chase Bank, National Association, a national bank with U.S. branches in 23 states, and Chase Bank USA, National Association, a national bank that is JPMorgan Chase's credit-card issuing bank. JPMorgan Chase & Co.'s principal non-bank subsidiary is J.P. Morgan Securities LLC, its U.S. investment banking firm. The bank and non-bank subsidiaries of JPMorgan Chase operate throughout the United States as well as through overseas branches and subsidiaries, representative offices and subsidiary foreign banks. One of JPMorgan Chase's principal operating subsidiaries in the United Kingdom is J.P. Morgan Securities plc (formerly J.P. Morgan Securities Ltd.), a subsidiary of JPMorgan Chase Bank, N.A. As a holding company, JPMorgan Chase & Co. relies on the earnings of its subsidiaries for its cash flow and, consequently, its ability to pay dividends and satisfy its debt and other obligations.

Under Article Four of its Restated Certificate of Incorporation, JPMorgan Chase & Co. may engage in any lawful act or activity for which a corporation may be organised under the General Corporation Law of the State of Delaware.

The principal executive office of JPMorgan Chase & Co. is located at 270 Park Avenue, New York, New York 10017, U.S.A. and its telephone number is +1 212 270-6000.

Principal Activities and Principal Markets

JPMorgan Chase's activities are organised, for management reporting purposes, into four major business segments, as well as a Corporate/Private Equity segment. The consumer business is the Consumer & Community Banking segment. The Corporate & Investment Bank, Commercial Banking and Asset Management segments comprise the wholesale businesses. A description of these business segments, and the products and services they provide to their respective client bases, follows.

Consumer & Community Banking

Consumer & Community Banking serves consumers and businesses through personal service at bank branches and through automated teller machines ("ATMs"), online, mobile and telephone banking. Consumer & Community Banking is organised into Consumer & Business Banking, Mortgage Banking (including Mortgage Production, Mortgage Servicing and Real Estate Portfolios) and Card, Merchant Services & Auto. Consumer & Business Banking offers deposit and investment products and services to consumers, and lending, deposit, and cash management and payment solutions to small businesses. Mortgage Banking includes mortgage origination and servicing activities, as well as portfolios comprised of residential mortgages and home equity loans, including the purchased credit impaired portfolio acquired in the Washington Mutual transaction. Card, Merchant Services & Auto issues credit cards to consumers and small businesses, provides payment services to corporate and public sector clients through its commercial card products, offers payment processing services to merchants, and provides auto and student loan services.

Corporate & Investment Bank

The Corporate & Investment Bank offers a broad suite of investment banking, market-making, prime brokerage, and treasury and securities products and services to a global client base of corporations, investors, financial institutions, government and municipal entities. Within Banking, the Corporate & Investment Bank offers a full range of investment banking products and services in all major capital markets, including advising on corporate strategy and structure, capital-raising in equity and debt

markets, as well as loan origination and syndication. Also included in Banking is Treasury Services, which includes transaction services, comprised primarily of cash management and liquidity solutions, and trade finance products. The Markets & Investor Services segment of the Corporate & Investment Bank is a global market-maker in cash securities and derivative instruments, and also offers sophisticated risk management solutions, prime brokerage, and research. Markets & Investor Services also includes the Securities Services business, a leading global custodian which holds, values, clears and services securities, cash and alternative investments for investors and broker-dealers, and manages depositary receipt programs globally.

Commercial Banking

Commercial Banking delivers extensive industry knowledge, local expertise and dedicated service to U.S. and U.S. multinational clients, including corporations, municipalities, financial institutions and non-profit entities with annual revenue generally ranging from \$20 million to \$2 billion. Commercial Banking provides financing to real estate investors and owners. Partnering with JPMorgan Chase's other businesses, Commercial Banking provides comprehensive financial solutions, including lending, treasury services, investment banking and asset management to meet its clients' domestic and international financial needs.

Asset Management

Asset Management, with client assets of \$2.1 trillion, is a global leader in investment and wealth management. Asset Management clients include institutions, high-net-worth individuals and retail investors in every major market throughout the world. Asset Management offers investment management across all major asset classes including equities, fixed income, alternatives and money market funds. Asset Management also offers multi-asset investment management, providing solutions to a broad range of clients' investment needs. For individual investors, Asset Management also provides retirement products and services, brokerage and banking services including trust and estate, loans, mortgages and deposits. The majority of Asset Management's client assets are in actively managed portfolios.

Corporate/Private Equity

The Corporate/Private Equity segment comprises Private Equity, Treasury, the Chief Investment Office ("CIO"), and Other Corporate, which includes corporate staff units and expense that is centrally managed. Treasury and the Chief Investment Office are predominantly responsible for measuring, monitoring, reporting and managing JPMorgan Chase's liquidity, funding, capital and structural interest rate and foreign exchange risks. The corporate staff units include Central Technology and Operations, Internal Audit, Executive, Finance, Human Resources, Legal, Compliance, Global Real Estate, General Services, Operational Control, Risk Management, and Corporate Responsibility & Public Policy. Other centrally managed expense includes JPMorgan Chase's occupancy and pension-related expense that are subject to allocation to the businesses.

Trend Information / Business Outlook

The following forward-looking statements are based on the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. These risks and uncertainties could cause JPMorgan Chase's actual results to differ materially from those set forth in such forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" in the 2013 Base Prospectus and "Risk Factors" in this Prospectus.

This information has been extracted from the JPMorgan Chase & Co. 2012 Form 10-K, which is incorporated by reference in this Prospectus, and speaks only as of the date of such report.

2013 Business Outlook

JPMorgan Chase's outlook for the full year 2013 should be viewed against the backdrop of the global and U.S. economies, financial markets activity, the geopolitical environment, the competitive environment, client activity levels, and regulatory and legislative developments in the United States and other countries where JPMorgan Chase does business. Each of these linked factors will affect the performance of JPMorgan Chase and its lines of business.

In the Consumer & Business Banking business within Consumer & Community Banking, JPMorgan Chase estimates that, given the current low interest rate environment, continued deposit spread compression could negatively impact annual net income by approximately \$400 million in 2013. This decline may be offset by the impact of deposit balance growth, although the exact extent of any such deposit growth cannot be determined at this time.

In the Mortgage Banking business within Consumer & Community Banking, management expects to continue to incur elevated default- and foreclosure-related costs, including additional costs associated with JPMorgan Chase's mortgage servicing processes, particularly its loan modification and foreclosure procedures. In addition, management believes that the high production margins experienced in recent quarters likely peaked in 2012 and will decline over time. Management also expects there will be continued elevated levels of repurchases of mortgages previously sold, predominantly to U.S. government-sponsored entities ("GSEs"). However, based on current trends and estimates, management believes that the existing mortgage repurchase liability is sufficient to cover such losses.

For Real Estate Portfolios within Mortgage Banking, management believes that total quarterly net charge-offs may be approximately \$550 million, subject to economic conditions. If the positive credit trends in the residential real estate portfolio continue or accelerate and economic uncertainty declines, the related allowance for loan losses may be reduced over time. Given management's current estimate of portfolio runoff levels, the residential real estate portfolio is expected to decline by approximately 10 per cent. to 15 per cent. in 2013 from year-end 2012 levels. The runoff in the residential real estate portfolio can be expected to reduce annual net interest income by approximately \$600 million in 2013. Over time, the reduction in net interest income should be offset by an improvement in credit costs and lower expenses.

In Card Services within Consumer & Community Banking, JPMorgan Chase expects that, if current positive credit trends continue, the card-related allowance for loan losses could be reduced by up to \$1 billion over the course of 2013.

The currently anticipated results for Consumer & Community Banking described above could be adversely affected if economic conditions, including U.S. housing prices or the unemployment rate, do not continue to improve. Management continues to closely monitor the portfolios in these businesses.

In Private Equity, within the Corporate/Private Equity segment, earnings will likely continue to be volatile and influenced by capital markets activity, market levels, the performance of the broader economy and investment specific issues.

For Treasury and the CIO, within the Corporate/Private Equity segment, management expects a quarterly net loss of approximately \$300 million with that amount likely to vary driven by the implied yield curve and management decisions related to the positioning of the investment securities portfolio.

For Other Corporate, within the Corporate/Private Equity segment, management expects quarterly net income, excluding material litigation expense and significant items, if any, to be approximately \$100 million, but this amount is also likely to vary each quarter.

Management expects JPMorgan Chase's net interest income to be generally flat during 2013, as modest pressure on the net yield on interest-earning assets is expected to be generally offset by anticipated growth in interest-earning assets.

JPMorgan Chase continues to focus on expense discipline and is targeting expense for 2013 to be approximately \$1 billion lower than in 2012 (not taking into account, for such purposes, any expenses in each year related to corporate litigation and foreclosure-related matters).

CIO synthetic credit portfolio

On 9 August 2012, JPMorgan Chase & Co. restated its previously-filed interim financial statements for the quarterly period ended 31 March 2012. The restatement related to valuations of certain positions in the synthetic credit portfolio of JPMorgan Chase's CIO. The restatement had the effect of reducing JPMorgan Chase & Co.'s reported net income for the three months ended 31 March 2012, by \$459 million. The restatement had no impact on any of JPMorgan Chase & Co.'s Consolidated Financial Statements as of 30 June 2012, and 31 December 2011, or for the three and six months ended 30 June 2012 and 2011.

Management also determined that a material weakness existed in JPMorgan Chase & Co.'s internal control over financial reporting at 31 March 2012. Management has taken steps to remediate the material weakness, including enhancing management supervision of valuation matters. These remedial steps were substantially implemented by 30 June 2012; however, in accordance with JPMorgan Chase & Co.'s internal control compliance program, the material weakness designation could not be closed until the remedial processes were operational for a period of time and successfully tested. The testing was successfully completed during the third quarter of 2012 and the control deficiency was closed at 30 September 2012.

On 2 July 2012, the majority of the synthetic credit portfolio was transferred from the CIO to JPMorgan Chase's Corporate & Investment Bank, which has the expertise, trading platforms and market franchise to manage these positions to maximise their economic value. An aggregate position of approximately \$12 billion notional was retained in CIO. By the end of the third quarter of 2012, CIO effectively closed out the index credit derivative positions that had been retained by it following the transfer. CIO incurred losses of \$5.8 billion from the synthetic credit portfolio for the six months ended 30 June 2012, and losses of \$449 million from the retained index credit derivative positions for the three months ended 30 September 2012, which were recorded in the principal transactions revenue line item of the income statement. The Corporate & Investment Bank continues to actively manage and reduce the risks in the remaining synthetic credit portfolio that had been transferred to it on 2 July 2012. This portion of the portfolio experienced modest losses in each of the two quarters of 2012 following the transfer; these losses were included in Fixed Income Markets Revenue for the Corporate & Investment Bank (and also recorded in the principal transactions revenue).

On 16 January 2013, JPMorgan Chase announced that JPMorgan Chase's Management Task Force and the independent Review Committee of JPMorgan Chase & Co.'s Board of Directors ("**Board Review Committee**") had each concluded their reviews relating to the 2012 losses by the CIO and had released their respective reports. The Board Review Committee's Report sets forth recommendations relating to the Board's oversight of JPMorgan Chase's risk management processes, all of which have been approved by the full Board of Directors and have been, or are in the process of being, implemented.

The Management Task Force Report, in addition to summarising the key events and setting forth its observations regarding the losses incurred in CIO's synthetic credit portfolio, describes the broad range of remedial measures taken by JPMorgan Chase to respond to the lessons it has learned from the CIO events, including:

- revamping the governance, mandate and reporting and control processes of CIO;
- implementing numerous risk management changes, including improvements in model governance and market risk; and
- effecting a series of changes to the Risk function's governance, organisational structure and interaction with the Board.

The Board of Directors formed the Board Review Committee in May 2012 to oversee the scope and work of the Management Task Force review, assess JPMorgan Chase's risk management processes related to the issues raised in the Management Task Force review, and to report to the Board of Directors on the Review Committee's findings and recommendations. In performing these tasks, the Board Review Committee, with the assistance of its own counsel and expert advisor, conducted an independent review, including analysing the voluminous documentary record and conducting interviews of Board members and numerous current and former employees of JPMorgan Chase. Based on its review, the Board Review Committee concurred in the substance of the Management Task Force Report. The Management Task Force Report and the Board Review Committee Report set out facts that in their view were the most relevant for their respective purposes. Others (including regulators conducting their own investigations) may have a different view of the facts, or may focus on other facts, and may also draw different conclusions regarding the facts and issues.

The Board Review Committee Report recommends a number of enhancements to the Board's own practices to strengthen its oversight of JPMorgan Chase's risk management processes. The Board Review Committee noted that some of its recommendations were already being followed by the Board or the Risk Policy Committee or have recently been put into effect.

The Board Review Committee's recommendations include:

- better focused and clearer reporting of presentations to the Board's Risk Policy Committee, with particular emphasis on the key risks for each line of business, identification of significant future changes to the business and its risk profile, and adequacy of staffing, technology and other resources;
- clarifying to management the Board's expectations regarding the capabilities, stature, and independence of JPMorgan Chase's risk management personnel;
- more systematic reporting to the Risk Policy Committee on significant model risk, model approval and model governance, on setting of significant risk limits and responses to significant limit excessions, and with respect to regulatory matters requiring attention;
- further clarification of the Risk Policy Committee's role and responsibilities, and more coordination of matters presented to the Risk Policy Committee and the Audit Committee;
- concurrence by the Risk Policy Committee in the hiring or firing of the Chief Risk Officer and that it be consulted with respect to the setting of such Chief Risk Officer's compensation; and
- staff with appropriate risk expertise be added to JPMorgan Chase's Internal Audit function and that Internal Audit more systematically include the risk management function in its audits.

The Board of Directors will continue to oversee JPMorgan Chase's remediation efforts to ensure they are fully implemented.

Also, on 14 January 2013, JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A., entered into Consent Orders with, respectively, the Board of Governors of the Federal Reserve System ("**Federal Reserve**") and the Office of the Comptroller of the Currency ("**OCC**") that relate to risk management, model governance and other control functions related to CIO and certain other trading activities at JPMorgan Chase. Many of the actions required by the Consent Orders are consistent with those recommended by the Management Task Force and the Board Review Committee and, as such, a number of them have been, or are in the process of being, implemented. JPMorgan Chase is committed to the full remediation of all issues identified in the Consent Orders.

The CIO synthetic credit portfolio losses have resulted in litigation against JPMorgan Chase, as well as heightened regulatory scrutiny and may lead to additional regulatory or legal proceedings, in addition to the consent orders noted above. Such regulatory and legal proceedings may expose JPMorgan Chase to fines, penalties, judgments or losses, harm JPMorgan Chase's reputation or otherwise cause a decline in investor confidence.

Regulatory developments

JPMorgan Chase is subject to regulation under state and federal laws in the United States, as well as the applicable laws of each of the various other jurisdictions outside the United States in which JPMorgan Chase does business. JPMorgan Chase is currently experiencing an unprecedented increase in regulation and supervision, and such changes could have a significant impact on how JPMorgan Chase conducts business. For example, under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank Act**"), U.S. federal banking and other regulatory agencies are instructed to conduct approximately 285 rulemakings and 130 studies and reports. These agencies include the Federal Reserve, the OCC, the Federal Deposit Insurance Corporation ("**FDIC**"), the Commodity Futures Trading Commission, the Securities and Exchange Commission ("**SEC**") and the Bureau of Consumer Financial Protection ("**CFPB**"). JPMorgan Chase continues to work diligently in assessing and understanding the implications of the regulatory changes it is facing, and is devoting substantial resources to implementing all the new regulations while, at the same time, best meeting the needs and expectations of its clients.

During 2012, for example, JPMorgan Chase submitted to the Federal Reserve and the FDIC its "resolution plan" in the event of a material distress or failure, registered several of its subsidiaries with the CFTC as swap dealers, and continued its planning and implementation efforts with respect to new regulations affecting its derivatives, trading and money market mutual funds businesses. JPMorgan

Chase also faces regulatory initiatives relating to its structure, including push-out of certain derivatives activities from its subsidiary banks under Section 716 of the Dodd-Frank Act, a proposed requirement from the U.K. Prudential Regulatory Authority ("**PRA**") requiring JPMorgan Chase to either obtain equal treatment for the U.K. depositors of its U.S. bank who make deposits in the U.K., or "subsidiarise" in the U.K., and various other proposed U.K. and EU initiatives that could affect its ability to allocate capital and liquidity efficiently among its global operations. Additional efforts are underway to comply with the higher capital requirements of the new Basel Accords (both the "Basel 2.5" requirements effective 1 January 2013 as well as the additional capital requirements of "Basel III"). JPMorgan Chase is also preparing to comply with Basel III's new liquidity measures – the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**") - which require JPMorgan Chase to hold specified types of "high quality" liquid assets to meet assumed levels of cash outflows following a stress event. Management's current objective is for JPMorgan Chase to reach, by the end of 2013, an estimated Basel III Tier I common ratio of 9.5 per cent. (including the impact of the Basel 2.5 rules and the estimated impact of the other applicable requirements set forth in the Federal Reserve's Advanced Notice for Proposed Rulemaking issued in June 2012). JPMorgan Chase is currently targeting reaching a 100 per cent. LCR, based on its current understanding of these requirements, by the end of 2013.

Furthermore, JPMorgan Chase is experiencing heightened scrutiny by its regulators of its compliance with new and existing regulations, including those issued under the Bank Secrecy Act, the Unfair and Deceptive Acts or Practices laws, the Real Estate Settlement Procedures Act ("**RESPA**"), the Truth in Lending Act, laws governing JPMorgan Chase's consumer collections practices and the laws administered by the Office of Foreign Assets Control, among others. JPMorgan Chase is also under scrutiny by its supervisors with respect to its controls and operational processes, such as those relating to model development, review, governance and approvals. On 14 January 2013, JPMorgan Chase & Co. and three of its subsidiary banks, including JPMorgan Chase Bank, N.A. entered into Consent Orders with the Federal Reserve and the OCC relating principally to JPMorgan Chase & Co.'s and such banks' BSA/AML policies and procedures. Also on 14 January 2013, JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A. entered into Consent Orders arising out of their reviews of JPMorgan Chase's CIO. These latter Consent Orders relate to risk management, model governance and other control functions related to CIO and certain other trading activities at JPMorgan Chase. JPMorgan Chase expects that its banking supervisors will in the future continue to take more formal enforcement actions against JPMorgan Chase rather than issuing informal supervisory actions or criticisms.

While the effect of the changes in law and the heightened scrutiny of its regulators is likely to result in additional costs, JPMorgan Chase cannot, given the current status of regulatory and supervisory developments, quantify the possible effects on its business and operations of all the significant changes that are currently underway.

Executive Officers and Directors

Executive Officers

The following persons are the Executive Officers of JPMorgan Chase & Co. as at the date of this Prospectus. The business address of each Executive Officer is 270 Park Avenue, New York, New York 10017, U.S.A.

Name	Title
James Dimon	Chairman of the Board, Chief Executive Officer and President
Michael J. Cavanagh	Co-Chief Executive Officer, Corporate & Investment Bank
Stephen M. Cutler	General Counsel
John L. Donnelly	Head, Human Resources
Mary Callahan Erdoes	Chief Executive Officer, Asset Management
John J. Hogan	Chief Risk Officer

Marianne Lake	Chief Financial Officer
Douglas B. Petno	Chief Executive Officer, Commercial Banking
Daniel E. Pinto	Co-Chief Executive Officer, Corporate & Investment Bank
Gordon A. Smith	Chief Executive Officer, Consumer & Community Banking
Matthew E. Zames	Chief Operating Officer

Directors

The following persons are the members of the Board of Directors of JPMorgan Chase & Co. as at the date of this Prospectus. The business address of each Director is JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017, U.S.A.

Name	Principal Occupation
James A. Bell	Retired Executive Vice President of The Boeing Company
Crandall C. Bowles	Chairman of Springs Industries, Inc.
Stephen B. Burke	Chief Executive Officer of NBCUniversal, LLC and Executive Vice President of Comcast Corporation
David M. Cote	Chairman and Chief Executive Officer of Honeywell International Inc.
James S. Crown	President of Henry Crown and Company
James Dimon	Chairman of the Board, Chief Executive Officer and President of JPMorgan Chase & Co.
Timothy P. Flynn	Retired Chairman of KPMG International
Ellen V. Futter	President and Trustee of the American Museum of Natural History
Laban P. Jackson, Jr.	Chairman and Chief Executive Officer of Clear Creek Properties, Inc.
Lee R. Raymond	Retired Chairman and Chief Executive Officer of Exxon Mobil Corporation
William C. Weldon	Chairman and Retired Chief Executive Officer of Johnson & Johnson

Conflicts of Interest

There are no material potential conflicts of interest between the duties to JPMorgan Chase & Co. of each of the Executive Officers and Directors named above and his/her private interests and/or other duties.

For information concerning other positions held by the Directors of JPMorgan Chase & Co. and concerning JPMorgan Chase's policies and procedures for reviewing and approving transactions with its directors and executive officers, see "Information about the nominees" on pages 1 to 6 and "Additional information about our directors and executive officers" on pages 37 to 38 of the JPMorgan Chase & Co. 2013 Proxy Statement, which is incorporated by reference into this Prospectus.

Corporate governance

General

Governance is a continuing focus at JPMorgan Chase, starting with the Board of Directors and extending throughout JPMorgan Chase. Several of JPMorgan Chase & Co.'s key governance policies

and practices are summarised below. Additional information concerning the corporate governance of JPMorgan Chase is contained in the JPMorgan Chase & Co. 2013 Proxy Statement.

Corporate Governance Principles of the Board

The Board of Directors first adopted Corporate Governance Principles in 1997, and has revised them periodically since then to reflect evolving best practices and regulatory requirements, including the corporate governance listing standards of the New York Stock Exchange (the "NYSE"). The Corporate Governance Principles establish a framework for the governance of JPMorgan Chase & Co.

Board leadership structure

The Board of Directors is responsible for the oversight of management on behalf of JPMorgan Chase & Co.'s shareholders. The Board accomplishes this function acting directly and through its committees. Directors discharge their duties at Board and committee meetings and also through telephone contact and other communications with the Chairman and Chief Executive Officer, management and others regarding matters of concern and interest to JPMorgan Chase & Co. Specific elements of the Board leadership structure include:

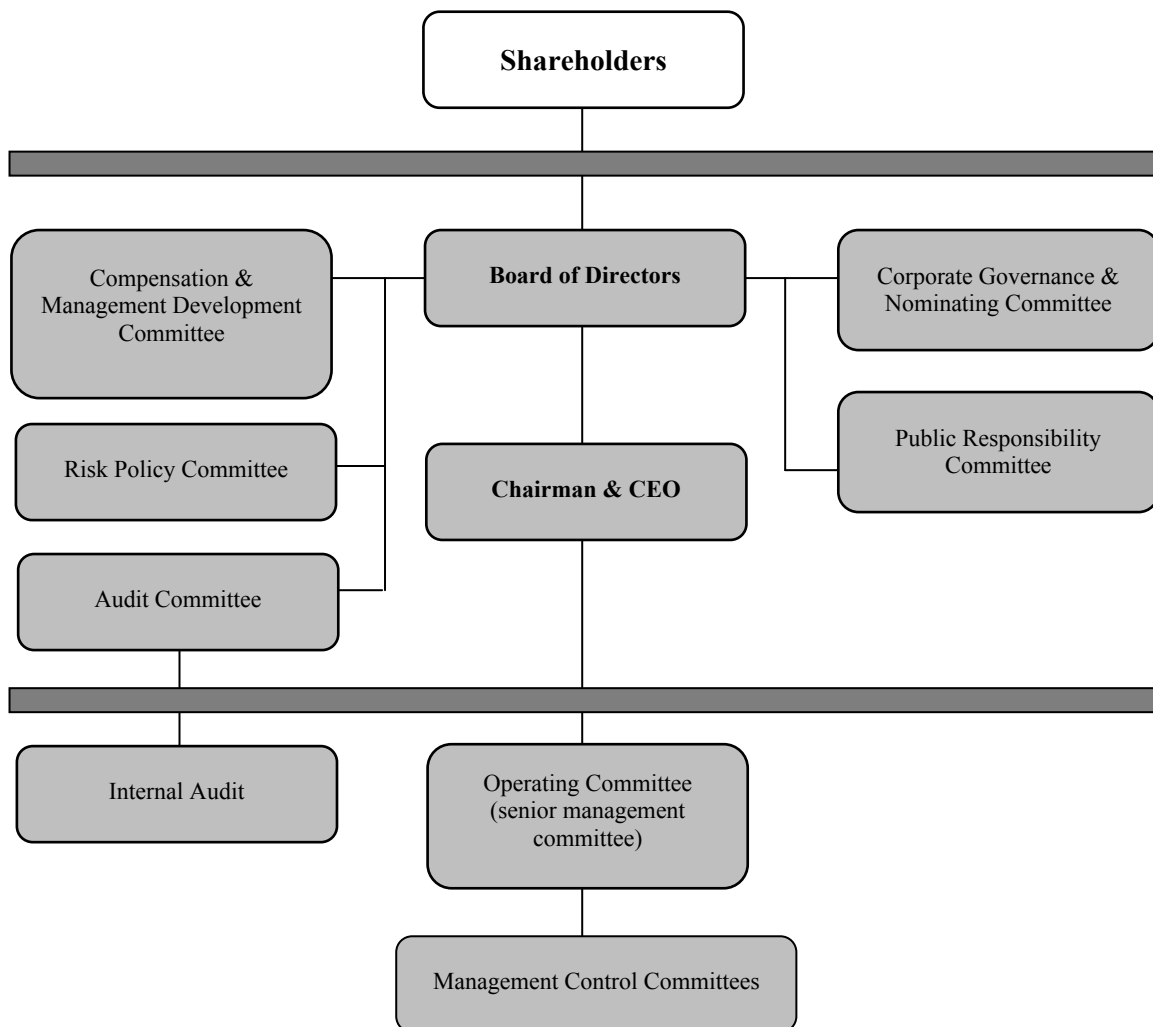
- **Chairman of the Board** – The Board of Directors has no established policy on whether or not to have a non-executive chairman and believes that it should make that judgment based on circumstances and experience. The Board has determined that the most effective leadership model for JPMorgan Chase & Co. currently is that Mr. Dimon serves as both Chairman and Chief Executive Officer, and that the independent directors annually appoint an independent director to serve as the Presiding Director. The Board believes it is functioning effectively under its current structure, and that the current structure provides appropriate oversight protections. The Board does not believe that introducing a separate Chairman at this time and with this Chief Executive Officer would provide appreciably better direction for and performance of JPMorgan Chase & Co., and instead could cause uncertainty, confusion and inefficiency in board and management function and relations.
- **Independent oversight** – Independent directors comprise more than 90 per cent. of the Board and 100 per cent. of the Audit Committee, the Compensation & Management Development Committee (the "**Compensation Committee**"), the Corporate Governance and Nominating Committee (the "**Governance Committee**"), the Public Responsibility Committee and the Risk Policy Committee. At each regularly scheduled Board meeting, the independent directors generally meet in executive session with no members of management present and may discuss any matter they deem appropriate, including evaluation of the Chief Executive Officer and other senior officers and determination of their compensation.
- **Presiding Director** – JPMorgan Chase & Co.'s Presiding Director functions as a Lead Director, but the Board prefers the term Presiding Director to emphasise that all directors share equally in their responsibilities as members of the Board. The Presiding Director presides at executive sessions of independent directors (generally held as part of each regularly scheduled Board meeting) and at all Board meetings at which the Chairman is not present, and has authority to call meetings of independent directors. The Presiding Director approves Board meeting agendas and schedules for each Board meeting, may add agenda items in his or her discretion, approves Board meeting materials for distribution to and consideration by the Board, facilitates communication between the Chairman and Chief Executive Officer and the independent directors, as appropriate, is available for consultation and communication with major shareholders where appropriate, upon reasonable request, and performs such other functions as the Board directs. The Presiding Director is appointed annually by and from among the independent directors.
- **Committee Chairs** – All are independent and are appointed annually by the Board, approve agendas and material for respective committee meetings, and act as liaison between committee members and the Board and between committee members and senior management.

Committees of the Board

The Board has five principal standing committees: the Audit Committee, the Compensation Committee, the Governance Committee, the Public Responsibility Committee and the Risk Policy Committee. Each member of the Audit Committee, the Compensation Committee and the Governance Committee has been determined by the Board to be independent for purposes of the NYSE corporate governance listing standards and within the meaning of regulations of the SEC.

As stated in the Board's Corporate Governance Principles, Board members have complete access to management, and the Board and Board committees can, if they wish to do so, seek legal or other expert advice from sources independent of management and shall be provided with the resources for such purposes.

Corporate Governance Structure



The following outlines the oversight responsibilities of the Board's principal committees. In addition to those responsibilities listed, each committee has oversight of reputational risk arising from matters within the scope of the committee.

- **Audit Committee** – provides oversight of the independent registered public accounting firm's qualifications and independence; the performance of the internal audit function and that of the independent registered public accounting firm; and management's responsibilities to assure that there is in place an effective system of controls reasonably designed to safeguard the assets and income of JPMorgan Chase & Co., assure the integrity of its financial statements, and maintain compliance with its ethical standards, policies, plans and procedures, and with laws and regulations. The Board of Directors has determined that Mr. Bell, Ms. Bowles and Mr. Jackson are audit committee financial experts as defined by the SEC.
- **Compensation & Management Development Committee** – reviews and approves JPMorgan Chase & Co.'s compensation and benefit programmes; ensures the competitiveness of these programmes; and advises the Board on the development of and succession for key executives. The Compensation Committee periodically reviews and approves a statement of JPMorgan Chase & Co.'s compensation principles and practices, and also reviews the relationship among risk, risk management and compensation in light of JPMorgan Chase & Co.'s objectives,

including its safety and soundness and the avoidance of practices that would encourage excessive risk.

- **Corporate Governance & Nominating Committee** – exercises general oversight with respect to the governance of the Board of Directors, including reviewing the qualifications of nominees for election to the Board and making recommendations to the Board regarding director compensation. The Governance Committee leads the Board in its review and self-evaluation of the performance of the Board as a whole with a view to increasing the effectiveness of the Board.
- **Public Responsibility Committee** – reviews and considers JPMorgan Chase & Co.'s position and practices regarding public responsibility matters of significance to JPMorgan Chase and provides guidance on these matters to management and the Board as appropriate.
- **Risk Policy Committee** – provides oversight of the Chief Executive Officer's and senior management's responsibilities to: assess and manage JPMorgan Chase & Co.'s credit risk, market risk, structural interest rate risk, investment risk, liquidity risk, fiduciary risk and model risk; ensure that there is in place an effective system reasonably designed to evaluate and control such risk throughout JPMorgan Chase; and manage capital and liquidity planning and analysis.
- **Board and committee interaction** – Committees meet regularly in conjunction with scheduled Board meetings, and hold additional meetings as needed. The Audit Committee and the Risk Policy Committee hold joint meetings on matters of mutual interest. The Compensation Committee meets at least annually with the Chief Risk Officer and the Risk Policy Committee or its Chair to review elements of JPMorgan Chase & Co.'s organisational structure, management practices and compensation programmes that would discourage unnecessary or excessive risk-taking and to assess its incentive arrangements. The committees report their activities and discuss their recommendations with the full Board.

The following table summarises the membership of the Board and each of its principal committees, and the number of times each met during 2012:

<i>Director</i>	<i>Audit</i>	<i>Compensation & Management Development</i>	<i>Corporate Governance & Nominating</i>	<i>Public Responsibility</i>	<i>Risk Policy</i>
James A. Bell	Member				
Crandall C. Bowles	Member			Chair	
Stephen B. Burke		Member	Member		
David M. Cote				Member	Member
James S. Crown					Chair
James Dimon					
Timothy P. Flynn					Member
Ellen V. Futter				Member	Member
Laban P. Jackson Jr.	Chair				
Lee R. Raymond ⁽¹⁾		Chair	Member		
William C. Weldon		Member	Chair		
Number of meetings in 2012	16	7	4	4	8

1 Presiding director

During 2012, the Board met 15 times; each director attended 75 per cent. or more of the total meetings of the Board and the committees on which he or she served.

Other Board Committees

In addition to the above committees, the Board has a Board-level Executive Committee and a Stock Committee. The Board-level Executive Committee consists of the Chief Executive Officer and the Chairs of the Board's principal committees. It may exercise all the powers of the Board that lawfully may be delegated, but with the expectation that it would not take material actions absent special circumstances.

The Stock Committee, acting through the Chief Executive Officer, acts in accordance with Board-approved limitations and capital plans to implement the declaration of dividends, authorise the issuance of stock, administer the dividend reinvestment plan, and implement share repurchase plans. The Board may also from time to time establish a committee for a specific purpose. During 2012, Messrs. Jackson, Raymond and Weldon served on the Board's Review Committee established in connection with the CIO matter, Messrs. Crown and Jackson served on a Mortgage Compliance Committee and Ms. Bowles and Messrs. Bell and Jackson served on an AML (Anti-Money Laundering) Enhancement Committee.

Director independence

Of the 11 directors of JPMorgan Chase's Board, ten (all but Mr. Dimon) meet the standard for independence.

Pursuant to the corporate governance listing standards of the NYSE, a majority of the Board of Directors (and each member of the Audit, Compensation and Governance Committees) must be independent. The Board of Directors may determine a director to be independent if the director has no disqualifying relationship as defined in the NYSE corporate governance rules and if the Board has affirmatively determined that the director has no material relationship with JPMorgan Chase & Co., either directly or as a partner, shareholder or officer of an organisation that has a relationship with JPMorgan Chase.

The Board of Directors reviewed the relationships between JPMorgan Chase & Co. and each director, and determined that in accordance with the NYSE corporate governance listing standards and JPMorgan Chase & Co.'s independence standards, each non-management nominee (James A. Bell, Crandall C. Bowles, Stephen B. Burke, David M. Cote, James S. Crown, Timothy P. Flynn, Ellen V. Futter, Laban P. Jackson, Jr., Lee R. Raymond and William C. Weldon) has only immaterial relationships with JPMorgan Chase and accordingly each is an independent director under these standards.

Other governance practices

Independent director meetings

Independent directors generally meet in executive session as part of each regularly scheduled Board meeting, with discussion led by the Presiding Director.

Majority voting for directors

JPMorgan Chase & Co.'s By-laws provide a majority voting standard for election of directors in uncontested elections, with resignation tendered by any incumbent director who is not re-elected, and plurality voting in any election that is contested.

Board's role in risk oversight

JPMorgan Chase's risk management is described in the "Management's discussion and analysis" section of the JPMorgan Chase & Co. 2012 Form 10-K which is incorporated by reference into this Prospectus. As stated there, risk is an inherent part of JPMorgan Chase's business activities and JPMorgan Chase's overall risk appetite is established in the context of its capital, earnings power and diversified business model. JPMorgan Chase's risk management framework and governance structure are intended to provide comprehensive controls and ongoing management of the major risks taken in its business activities.

In May 2012, the JPMorgan Chase announced that there had been significant trading losses in a synthetic credit portfolio within JPMorgan Chase's Chief Investment Office. JPMorgan Chase appointed a Management Task Force to review the trading losses and the Board of Directors

established an independent Review Committee of the Board (the "**Board Review Committee**") to oversee the scope and work of the Management Task Force review, to assess JPMorgan Chase's risk management processes related to the issues raised in the Management Task Force review, and to report to the Board of Directors on the Board Review Committee's findings and recommendations. On 16 January 2013, JPMorgan Chase announced that the Management Task Force and the Board Review Committee had each concluded their reviews and had released their respective reports. The Board Review Committee concurred in the substance of the Management Task Force Report. The Board Review Committee's Report sets forth recommendations relating to the Board's oversight of JPMorgan Chase's risk management processes, all of which have been approved by the full Board of Directors and have been, or are in the process of being, implemented.

The following outlines the Board's ongoing role in risk oversight.

Risk appetite — JPMorgan Chase employs a formalised risk appetite framework to clearly link risk appetite and return targets, controls and capital management.

- The Chief Executive Officer is responsible for setting the overall risk appetite for JPMorgan Chase, and the line of business Chief Executive Officers are responsible for setting the risk appetite for their respective line of business subject to approval by the Chief Executive Officer.
- The Risk Policy Committee approves the risk appetite policy on behalf of the entire Board of Directors.

Risk management framework — JPMorgan Chase's risk governance structure starts with each line of business being responsible for managing its own risks, with its own risk committee and a chief risk officer. Overlaying the line of business risk management are corporate functions with risk management-related responsibilities.

- Risk Management operates independently to provide oversight of firmwide risk management and controls, and is headed by JPMorgan Chase's Chief Risk Officer, who is a member of the Operating Committee and reports to the Chief Executive Officer and is accountable to the Board of Directors, primarily through the Board's Risk Policy Committee.
- The Chief Investment Office and Corporate Treasury are responsible for managing JPMorgan Chase's liquidity, interest rate and foreign exchange risk, and other structural risks.
- Legal has oversight for legal risk and Compliance has oversight for compliance risk.
- Each line of business has a risk committee which includes in its mandate oversight of the reputational risks in its business.

Board oversight — The Board of Directors exercises its oversight of risk management principally through the Board's Risk Policy Committee and Audit Committee.

- The Risk Policy Committee provides oversight of the Chief Executive Officer's and senior management's responsibilities to: assess and manage JPMorgan Chase's credit risk, market risk, structural interest rate risk, investment risk, liquidity risk, fiduciary risk and model risk; ensure that there is in place an effective system reasonably designed to evaluate and control such risk throughout JPMorgan Chase; and manage capital and liquidity planning and analysis.
- The Audit Committee provides oversight of management's responsibilities to assure that there is in place an effective system of controls reasonably designed to safeguard the assets and income of JPMorgan Chase, assure the integrity of JPMorgan Chase's financial statements, and maintain compliance with JPMorgan Chase's ethical standards, policies, plans and procedures, and with laws and regulations.
- The Compensation Committee is responsible for reviewing JPMorgan Chase's compensation practices and the relationship among risk, risk management and compensation in light of JPMorgan Chase's objectives.

- Each of the committees oversees reputation risk issues within its scope of responsibility.
- The Board of Directors also reviews selected risk topics directly as circumstances warrant.

Shareholder outreach

JPMorgan Chase & Co. recognises the importance of shareholder communications to help its investors understand JPMorgan Chase & Co.'s performance and strategies. JPMorgan Chase & Co. reaches out to shareholders in many different ways, including through quarterly earnings presentations, SEC filings, web communications, and investor meetings. In addition, JPMorgan Chase & Co.'s senior executives engage major institutional shareholders as part of a semi-annual outreach program to invite comments on governance matters, executive compensation, and shareholder proposals. JPMorgan Chase & Co. meets throughout the year with additional shareholders and organisations interested in its practices.

Special shareholder meetings and action by written consent

JPMorgan Chase & Co.'s By-laws permit shareholders holding at least 20 per cent. of the outstanding shares of common stock (net of hedges) to call special meetings. The Board is proposing for shareholder approval, at its Annual Meeting of Shareholders to be held on 21 May 2013, an amendment to JPMorgan Chase & Co.'s Certificate of Incorporation that would permit shareholders to act by written consent on terms intended to be substantially similar to the terms applicable to call special meetings.

Code of Conduct and Code of Ethics for Finance Professionals

The JPMorgan Chase Code of Conduct is a collection of rules and policy statements governing employees' conduct in relation to JPMorgan Chase & Co.'s business. In addition, JPMorgan Chase & Co. has a Code of Ethics for Finance Professionals that applies to the Chief Executive Officer, President, Chief Financial Officer, and Chief Accounting Officer of JPMorgan Chase & Co., and to all other professionals of JPMorgan Chase & Co. worldwide serving in a finance, accounting, corporate treasury, tax or investor relations role. The purpose of the Code of Ethics for Finance Professionals is to promote honest and ethical conduct and compliance with the law, particularly as related to the maintenance of JPMorgan Chase & Co.'s financial books and records and the preparation of its financial statements. JPMorgan Chase & Co. provides a Code Reporting Hotline operated by an independent third party, through which employees can report suspected violations of the Code of Conduct or other policies.

Political contributions and legislative lobbying

JPMorgan Chase & Co. believes that it is in the shareholders' best interests for it to be an effective participant in the legislative and regulatory process and that governance and transparency are important components of this process. JPMorgan Chase & Co. supports its interests in the political arena in a variety of ways. Its philosophy, policies and disclosures concerning political contributions and legislative lobbying, as well as the compliance procedures and oversight that are in place, reflect JPMorgan Chase & Co.'s commitment to civic participation and transparency. These are described in JPMorgan Chase & Co.'s Political Activities Statement.

JPMorgan Chase & Co. discloses all contributions made by its affiliated political action committees or PACs (funded entirely by voluntary contributions from JPMorgan Chase & Co.'s employees) to candidates for political office and to 527 organisations on its website. JPMorgan Chase & Co. may from time to time support state ballot initiatives and broad-based groups organised under Section 527 of the Internal Revenue Code. Direct contributions to 527 groups are not made to support the election of any candidate or for the purpose of express advocacy. JPMorgan Chase & Co. belongs to a number of trade associations representing the interests of both the financial services industry and the broader business community. JPMorgan Chase & Co. voluntarily report on its website such contributions to 527 groups and state ballot initiatives, and the principal trade associations to which it belongs.

Documents available

The Corporate Governance Principles, Code of Conduct, Code of Ethics for Finance Professionals, and the JPMorgan Chase & Co. Political Activities Statement, as well as JPMorgan Chase & Co.'s By-laws

and charters of the principal Board committees, can be found on JPMorgan Chase & Co.'s website at www.jpmorganchase.com.

Supervision and regulation

JPMorgan Chase operates and is subject to regulation under federal and state banking, securities and other laws in the United States, including the Bank Holding Company Act, the Gramm-Leach-Bliley Act and the Securities Exchange Act of 1934, as well as the applicable laws of each of the various jurisdictions outside the United States in which it does business. JPMorgan Chase & Co.'s primary banking regulator is the Federal Reserve. JPMorgan Chase's banks and certain of its nonbank subsidiaries are subject to direct supervision and regulation by various other federal and state authorities (some of which are considered "functional regulators" under the Gramm-Leach-Bliley Act). JPMorgan Chase's national bank subsidiaries, such as JPMorgan Chase Bank, N.A., and Chase Bank USA, N.A., are subject to supervision and regulation by the OCC and, in certain matters, by the Federal Reserve and the FDIC. For additional information concerning the supervision and regulation of JPMorgan Chase and the significant laws and regulations to which it is subject, see "Supervision and regulation" on pages 1 to 8 of the JPMorgan Chase & Co. 2012 Form 10-K, which is incorporated by reference into this Prospectus.

Financial information

Selected financial information

The selected consolidated financial data set forth in the below table have been extracted from the audited consolidated financial statements of JPMorgan Chase & Co. as at and for the year ended 31 December 2012 contained in the JPMorgan Chase & Co. 2012 Form 10-K and from the unaudited interim consolidated financial statements of JPMorgan Chase & Co. for the six months ended 30 June 2013 contained in the JPMorgan Chase & Co. 30 June 2013 Form 10-Q.

Selected income statement data

(in USD millions)	Six months ended 30 June		Year ended 31 December	
	2013	2012	2012	2011
	(unaudited)			
Total net revenue	50,333	48,232	97,031	97,234
Provision for credit losses	664	940	3,385	7,574
Total noninterest expense	31,289	33,311	64,729	62,911
Income before income tax expense	18,380	13,981	28,917	26,749
Net income	13,025	9,884	21,284	18,976

Selected balance sheet data

(in USD millions)	Six months ended 30 June	As at 31 December	
	2013	2012	2011
	(unaudited)		
Trading assets	401,470	450,028	443,963
Securities	354,725	371,152	364,793
Loans, net of allowance for loan	725,586	711,860	721,720

losses

Total assets	2,439,494	2,359,141	2,265,792
Deposits	1,202,950	1,193,593	1,127,806
Long-term debt	266,212	249,024	256,775
Total stockholders' equity	209,239	204,069	183,573

Auditors

The consolidated financial statements of JPMorgan Chase & Co. as at 31 December 2012 and 2011 and for each of the three years in the period ended 31 December 2012, and the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) as of 31 December 2012, which appears in the JPMorgan Chase & Co. 2012 Form 10-K incorporated by reference into this Prospectus, have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report dated 28 February 2013 appearing on page 187 of the JPMorgan Chase & Co. 2012 Form 10-K.

PricewaterhouseCoopers LLP is an independent registered public accounting firm within the meaning of the applicable rules and regulations adopted by the SEC and the U.S. Public Company Accounting Oversight Board. PricewaterhouseCoopers LLP is a member of the American Institute of Certified Public Accountants and is registered with the Public Company Accounting Oversight Board. The address of PricewaterhouseCoopers LLP is 300 Madison Avenue, New York, New York 10017, United States of America.

Net Revenue

JPMorgan Chase & Co.'s total net revenue was \$97.0 billion and \$97.2 billion for the years ended 31 December 2012 and 2011, respectively.

Dividends

The following cash dividends per share of common stock of JPMorgan Chase & Co. were paid for each of the five consecutive fiscal years ended 31 December 2012:

Fiscal Year	Dividend per share
2012	\$1.20
2011	\$1.00
2010	\$0.20
2009	\$0.20
2008	\$1.52

Capital Structure

Stockholder's Equity

The following table provides information concerning the stockholder's equity of JPMorgan Chase & Co. as at 31 December 2012, and has been extracted from the JPMorgan Chase & Co. 2012 Form 10-K which is incorporated by reference into this Prospectus.

(in millions, except share data)

31 December 2012

Stockholders' equity

Preferred stock (\$1 par value; authorised 200,000,000 shares; issued 905,750 shares)	\$ 9,058
Common stock (\$1 par value; authorised 9,000,000,000 shares; issued 4,104,933,895 shares)	4,105
Capital surplus	94,604
Retained earnings	104,223
Accumulated other comprehensive income	4,102
Shares held in RSU Trust, at cost (479,126 shares)	(21)
Treasury stock, at cost (300,981,690 shares)	(12,002)
Total stockholders' equity	<u>\$2,359,141</u>

Common Stock

As of 31 December 2012, JPMorgan Chase & Co. had 4.1 billion shares of its common stock outstanding with a par value of \$1.00 each and held 301 million shares of its common stock as treasury shares. All of the issued shares of common stock are fully paid.

Convertible Securities and Warrants, Bonds, Borrowings and Contingent Liabilities

Refer to the notes to the audited consolidated financial statements of JPMorgan Chase & Co. as at and for the year ended 31 December 2012 contained in the JPMorgan Chase & Co. 2012 Form 10-K, which is incorporated by reference into this Prospectus, for information regarding warrants, bonds, borrowings and contingent liabilities outstanding as at 31 December 2012.

Principal Subsidiaries

JPMorgan Chase & Co.'s principal bank subsidiaries are JPMorgan Chase Bank, N.A., a national bank with its registered office in Ohio and its principal place of business in New York; and Chase Bank USA, National Association, a national bank with its registered office and principal place of business in Delaware. JPMorgan Chase & Co.'s principal non-bank subsidiary is J.P. Morgan Securities LLC, a Delaware corporation with its principal place of business in New York. One of JPMorgan Chase's principal operating subsidiaries in the United Kingdom is J.P. Morgan Securities plc (formerly J.P. Morgan Securities Ltd.), a subsidiary of JPMorgan Chase Bank, N.A. These subsidiaries are wholly owned by JPMorgan Chase & Co. and their accounts are included in the consolidated financial statements of JPMorgan Chase & Co. Exhibit 21 to the JPMorgan Chase & Co. 2012 Form 10-K incorporated by reference into this Prospectus contains a list of JPMorgan Chase & Co.'s subsidiaries which has been prepared in accordance with SEC rules.

Properties

At 31 December 2012, JPMorgan Chase owned or leased approximately 68.9 million total square feet of space, including commercial office space, retail space and administrative and operational facilities, in the United States; approximately 5.6 million total square feet of space, including offices and an operations centre, in Europe, Middle East and Africa; and approximately 5.4 million total square feet of space, including offices and administrative and operational facilities, in the Asia Pacific region, Latin America and North America (excluding the United States). The properties occupied by JPMorgan Chase are used across all of its business segments and for corporate purposes.

Litigation

A summary of certain significant legal proceedings is set out in Note 23 – Litigation on pages 198 to 206 of the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 30 June

2013 containing the unaudited consolidated financial statements of JPMorgan Chase & Co. for the quarter ended 30 June 2013, which is incorporated by reference into this Prospectus.

Additional Information

The periodic reports that JPMorgan Chase & Co. files with the SEC, including its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as they become available, can be viewed on the SEC's website at www.sec.gov. Those reports and additional information concerning JPMorgan Chase & Co. can also be viewed on JPMorgan Chase & Co.'s investor relations website at <http://investor.shareholder.com/jpmorganchase/>.

JPMORGAN CHASE BANK, N.A.

History, Development and Organisational Structure

JPMorgan Chase Bank, N.A. is one of the principal bank subsidiaries of JPMorgan Chase & Co. JPMorgan Chase Bank offers a wide range of banking services to its customers both in the United States and internationally, including investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. Under the J.P. Morgan and Chase brands, JPMorgan Chase Bank serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients.

JPMorgan Chase Bank, N.A. is a national banking association organised under U.S. federal law. JPMorgan Chase Bank, N.A. was initially organised as a New York banking corporation on 26 November 1968, and converted into a national banking association on 13 November 2004. JPMorgan Chase Bank, N.A. is chartered and its business is subject to examination and regulation by the OCC, a bureau of the U.S. Department of the Treasury. JPMorgan Chase Bank, N.A. is a member of the U.S. Federal Reserve System and its U.S. domestic deposits are insured by the FDIC. Its U.S. Federal Reserve Bank Identification Number is 852218. JPMorgan Chase Bank, N.A.'s principal operating subsidiary in the United Kingdom is J.P. Morgan Securities plc.

The powers of JPMorgan Chase Bank, N.A. are set forth in the U.S. National Bank Act and include all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes.

The registered office of JPMorgan Chase Bank, N.A. is located at 1111 Polaris Parkway, Columbus, Ohio 43240, U.S.A. JPMorgan Chase Bank, N.A.'s principal place of business is located at 270 Park Avenue, New York, New York 10017-2070, U.S.A. and its telephone number is +1 212 270 6000.

Principal Activities and Principal Markets

JPMorgan Chase Bank's activities are organised and integrated with the businesses of JPMorgan Chase. See the section entitled "JPMorgan Chase & Co. – Principal Activities and Principal Markets" for further information.

Trend Information

JPMorgan Chase Bank's activities are organised and integrated with the businesses of JPMorgan Chase. See the section entitled "*JPMorgan Chase & Co. – Trend Information*" for further information.

Executive Officers and Directors

Executive Officers

The following persons are the Executive Officers of JPMorgan Chase Bank, N.A. as at the date of this Prospectus. The business address of each Executive Officer is 270 Park Avenue, New York, New York 10017, U.S.A.

Name	Title
James Dimon	Chairman of the Board, Chief Executive Officer and President
Michael J. Cavanagh	Co-Chief Executive Officer, Corporate & Investment Bank
Stephen M. Cutler	General Counsel
John L. Donnelly	Head, Human Resources
Mary Callahan Erdoes	Chief Executive Officer, Asset Management
John J. Hogan	Chief Risk Officer

Marianne Lake	Chief Financial Officer
Douglas B. Petno	Chief Executive Officer, Commercial Banking
Daniel E. Pinto	Co-Chief Executive Officer, Corporate & Investment Bank
Gordon A. Smith	Chief Executive Officer, Consumer & Community Banking
Matthew E. Zames	Chief Operating Officer

Directors

The following persons are the members of the Board of Directors of JPMorgan Chase Bank, N.A. as at the date of this Prospectus. The business address of each Director is JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017, U.S.A.

Name	Principal Occupation
James Dimon	Chairman of the Board, Chief Executive Officer and President of JPMorgan Chase & Co.
Matthew E. Zames	Chief Operating Officer of JPMorgan Chase & Co.
Marianne Lake	Chief Financial Officer of JPMorgan Chase & Co.
James S. Crown	President of Henry Crown and Company
Laban P. Jackson, Jr.	Chairman and Chief Executive Officer of Clear Creek Properties, Inc.

Conflicts of Interest

There are no material potential conflicts of interest between the duties to JPMorgan Chase Bank, N.A. of each of the Executive Officers and Directors named above and his/her private interests and/or other duties.

For information concerning other positions held by the non-executive Directors of JPMorgan Chase Bank, N.A. and concerning JPMorgan Chase's policies and procedures for reviewing and approving transactions with its directors and executive officers, see "Information about the nominees" on pages 1 to 6 and "Additional information about our directors and executive officers" on pages 37 to 38 of the JPMorgan Chase & Co. 2013 Proxy Statement, which is incorporated by reference into this Prospectus.

Supervision and regulation

JPMorgan Chase Bank, N.A. operates and is subject to regulation under federal and state banking and other laws in the United States, including the National Banking Act and the Federal Deposit Insurance Act, as well as the applicable laws of each of the various jurisdictions outside the United States in which it does business. For additional information concerning the supervision and regulation of JPMorgan Chase Bank, N.A. and the significant laws and regulations to which it is subject, see "Supervision and regulation" on pages 1 to 8 in the JPMorgan Chase & Co. 2012 Form 10-K, which is incorporated by reference into this Prospectus.

Financial Information

JPMorgan Chase Bank, N.A. prepares annual and semi-annual consolidated financial statements in accordance with U.S. generally accepted accounting principles. In addition, where applicable, the accounting and financial reporting policies of JPMorgan Chase Bank, N.A. conform to the accounting and reporting guidelines prescribed by U.S. bank regulatory authorities. JPMorgan Chase Bank, N.A.'s annual and semi-annual consolidated financial statements, as they become available, can be viewed on the website of the National Storage Mechanism of the U.K. Listing Authority at www.hemscott.com,

and, following their incorporation by reference into this Prospectus, can be viewed on the Luxembourg Stock Exchange's website at www.bourse.lu. JPMorgan Chase Bank, N.A. also prepares Call Reports as described under the section "Documents Incorporated by Reference".

Selected financial information

The selected consolidated financial data set forth in the below table have been extracted from the JPMorgan Chase Bank, N.A. 2012 Audited Financial Statements and the unaudited JPMorgan Chase Bank, N.A. 2013 Interim Financial Statements incorporated by reference into this Prospectus. This information should be read in conjunction with the notes to the consolidated financial statements and the other detailed financial information concerning JPMorgan Chase Bank, N.A. incorporated by reference into this Prospectus.

Selected income statement data

(in USD millions)	Six months ended 30 June		Year ended 31 December	
	2013	2012	2012	2011
	(unaudited)			
Total net revenue	U.S.\$ 38,157	U.S.\$ 35,961	U.S.\$ 71,670	U.S.\$ 73,272
Provision for credit losses	(32)	10	686	5,344
Total noninterest expense	24,287	27,606	52,747	51,578
Income before income tax expense	13,902	8,345	18,237	16,350
Net income	10,189	6,225	13,955	12,456

Selected balance sheet data

(in USD millions)	As at 30 June	31 December	
	2013	2012	2011
	(unaudited)		
Trading assets	U.S.\$ 271,335	U.S.\$ 319,113	U.S.\$ 322,558
Securities	335,461	361,119	357,104
Loans, net of allowance for loan losses	603,912	606,090	578,648
Total assets	1,947,794	1,896,773	1,811,678
Deposits	1,249,452	1,246,327	1,190,738
Long-term debt	112,662	100,558	81,888
Total stockholders' equity	151,237	146,025	130,777

Auditors

The JPMorgan Chase Bank, N.A. 2012 Audited Financial Statements and the JPMorgan Chase Bank, N.A. 2011 Audited Financial Statements are incorporated by reference into this Prospectus and have been audited by PricewaterhouseCoopers LLP, an independent auditor of 300 Madison Avenue, New York, New York 10017, U.S.A., without qualification. A copy of the auditor's report is on page 1 of the

JPMorgan Chase Bank, N.A. 2012 Audited Financial Statements and on page 1 of the JPMorgan Chase Bank, N.A. 2011 Audited Financial Statements.

Dividends

JPMorgan Chase Bank, N.A., which is a wholly-owned direct subsidiary of JPMorgan Chase & Co., paid the following cash dividends to JPMorgan Chase & Co. for each of the five consecutive fiscal years ended 31 December 2012:

Fiscal Year	Dividend Amount
2012	U.S.\$ 2,000,000,000
2011	U.S.\$ 6,000,000,000
2010	U.S.\$ 15,500,000,000
2009	U.S.\$ 15,200,000,000
2008	U.S.\$ 1,000,000,000

Capital Structure

Stockholder's Equity

The following table provides information concerning the liabilities and stockholder's equity of JPMorgan Chase Bank, N.A. as at 31 December 2012, and has been extracted from the JPMorgan Chase Bank, N.A. 2012 Audited Financial Statements which are incorporated by reference into this Prospectus. This information should be read in conjunction with the notes to the consolidated financial statements and the other detailed financial information concerning JPMorgan Chase Bank, N.A. incorporated by reference into this Prospectus.

(in millions, except share data)

31 December 2012

Stockholder's equity

Preferred stock (\$1 par value; authorised 15,000,000 shares; issued zero shares)	--
Common stock (\$12 par value; authorised 150,000,000; issued 148,761,243 shares)	U.S.\$ 1,785
Capital surplus	77,533
Retained earnings	60,196
Accumulated other comprehensive income	6,511
Total stockholder's equity	146,025

Common Stock

As of 31 December 2012, JPMorgan Chase Bank, N.A. had 149 million shares of common stock outstanding with a par value of \$12 each and did not hold any shares of its common stock. All the issued shares of common stock are fully paid.

Convertible Securities and Warrants, Bonds, Borrowings and Contingent Liabilities

Reference is made to the notes to the JPMorgan Chase Bank, N.A. 2012 Audited Financial Statements incorporated by reference into this Prospectus for information regarding warrants, bonds, borrowings and contingent liabilities outstanding as at 31 December 2012.

Principal Subsidiaries

JPMorgan Chase Bank, N.A.'s principal operating subsidiary in the United Kingdom is J.P. Morgan Securities plc. J.P. Morgan Securities plc is wholly owned by JPMorgan Chase Bank, N.A. and its accounts are included in the consolidated financial statements of JPMorgan Chase Bank, N.A. Exhibit 21 to the JPMorgan Chase & Co. 2012 Form 10-K incorporated by reference into this Prospectus contains a list of JPMorgan Chase & Co.'s subsidiaries which has been prepared in accordance with SEC rules.

Properties

JPMorgan Chase Bank's properties are organised and integrated with the properties of JPMorgan Chase. See the section entitled "JPMorgan Chase & Co. – Properties" for further information.

Litigation

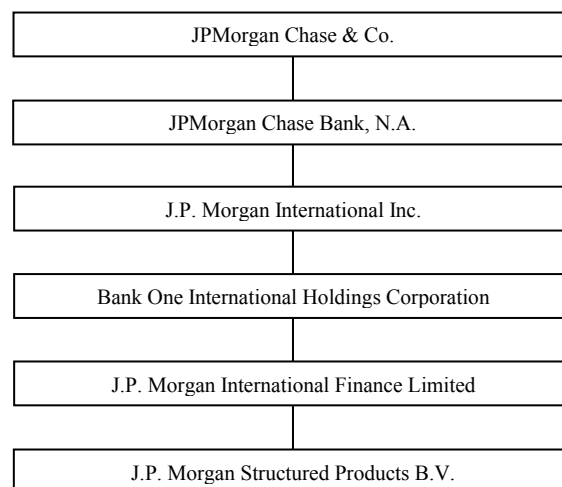
See Note 23 – Litigation on pages 198 to 206 of the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 30 June 2013 containing the unaudited consolidated financial statements of JPMorgan Chase & Co. for the quarter ended 30 June 2013, which is incorporated by reference into this Prospectus, for a description of material litigation matters affecting JPMorgan Chase & Co. and its subsidiaries, including JPMorgan Chase Bank, N.A.

J.P. MORGAN STRUCTURED PRODUCTS B.V.

History, Development and Organisational Structure

JPMSP was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) in Amsterdam, The Netherlands, on 6 November 2006 to exist for an unlimited duration. JPMSP mainly operates under the Dutch Civil Code (*Burgerlijk Wetboek*) and the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). JPMSP was and remains registered at the Chamber of Commerce of Amsterdam under registered number 34259454 and has its registered offices at Luna ArenA, Herikerbergweg 238, 1101 CM Amsterdam Zuidoost, The Netherlands (telephone number +31 20 575 5600).

JPMSP is an indirect, wholly-owned subsidiary of JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. is one of the principal bank subsidiaries of JPMorgan Chase & Co., a company incorporated in the State of Delaware in the United States of America. A summary organisational chart, showing the ownership of JPMSP, is set out below:



Investment Policy

JPMSP may undertake independent investments in its sole discretion with the proceeds (net of third party costs) of an issuance of notes, warrants or certificates, subject to compliance with certain legal, tax and regulatory restrictions.

Principal Activities

JPMSP's business principally consists of the issuance of securitised derivatives comprising notes, warrants and certificates, including equity-linked, reverse convertible and market participation notes (the "**Securities**") and the subsequent hedging of those risk positions. All issuances which have been closed to date are subject to hedging arrangements. The proceeds of the sale of the securities are used for general corporate purposes, including the entry into hedging arrangements with other J.P. Morgan affiliates. JPMSP anticipates that the hedging arrangements will be sufficient to hedge itself against the market risk of its securities issuance activities. JPMSP also has receipts from and makes payments to other J.P. Morgan affiliates.

Principal Markets

During the financial year ended 31 December 2012, JPMSP issued securities in the Asia Pacific region, in Europe, the Middle East, Africa and a limited number in the United States of America.

Trend Information

JPMSP's primary objective in 2013 will be the continued development of securitised products for their placement to retail, 'high net worth' and institutional investors principally outside of the United States of America, linked to various underlying reference assets including equity, credit, interest rates, commodities and so called "alternatives" such as funds and hedge funds.

Directors and Officers

The administrative, management and supervisory bodies of JPMSP comprise its Board of Directors. Set forth below are the names and positions of JPMSP's Directors:

Name	Function	Business address
Jacob Cornelis Willem van Burg	Managing Director	Luna ArenA Herikerbergweg 238 1101 CM Amsterdam Zuidoost The Netherlands
David Roland Hansson	Managing Director	25 Bank Street Canary Wharf London E14 5JP United Kingdom
Gregory Hock-Ken Yu	Managing Director	25/F Chater House 8 Connaught Road Central Hong Kong
Robert Willem de Koning	Managing Director	Luna ArenA Herikerbergweg 238 1101 CM Amsterdam Zuidoost The Netherlands
Jozef Cornelis Petrus van Uffelen	Managing Director	Luna ArenA Herikerbergweg 238 1101 CM Amsterdam Zuidoost The Netherlands

The principal outside activities of Mr. Van Burg, Mr. De Koning and Mr. Van Uffelen are as employees of the firm TMF Netherlands B.V. (formerly known as Equity Trust Co. N.V.), a trust company which was established in The Netherlands in 1970. Mr. Hansson is a Managing Director and Mr. Yu is an Executive Director of the Investment Bank division at JPMorgan Chase and there are no principal outside activities performed by Mr. Hansson and Mr. Yu which are significant to JPMSP as Issuer. All Directors hold office until removed.

Subject in the case of Mr. Van Burg, Mr. De Koning and Mr. Van Uffelen to their duties to TMF Netherlands B.V., there are no material potential conflicts of interest between any duties owed to JPMSP by the Directors of JPMSP identified above and their private interests and/or outside duties.

Corporate Governance

JPMSP complies with established and accepted principles of corporate governance in The Netherlands. The Board of Directors of JPMSP conducts itself in accordance with general principles of Dutch corporate law.

The Board of Directors has appointed a committee to authorise and transact issuances of Securities. No other committees made up for specific purposes or to perform specific functions have been appointed.

Financial information

Historical financial information

JPMSP was incorporated on 6 November 2006. The JPMSP 2012 Audited Financial Statements are prepared and filed in accordance with the laws of The Netherlands.

JPMSP's Audited Financial Statements are incorporated by reference into this Prospectus. PricewaterhouseCoopers Accountants N.V., who are members of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*), have audited without qualification the JPMSP Audited Financial Statements. A copy of the auditor's report appears at page 21 of the JPMSP 2012

Audited Financial Statements, and at page 26 of the JPMSP 2011 Audited Financial Statements, and are incorporated by reference into this Prospectus. PricewaterhouseCoopers Accountants N.V. has no material interest in JPMSP.

The address of PricewaterhouseCoopers Accountants N.V. is: Thomas R. Malthusstraat 5, P.O. Box 90357, 1006 BJ Amsterdam, The Netherlands.

JPMSP produces unaudited interim financial statements in respect of the period ended 30 June in each year.

Selected Financial Information

The profit after tax for the six months ended 30 June 2013 was U.S.\$498,000 (U.S.\$627,000 for the six months ended 30 June 2012). The profit after tax of JPMSP for the financial year ending 31 December 2012 was U.S.\$1,113,000 (U.S.\$1,347,000 for the financial year ended 31 December 2011). As at the six months ended 30 June 2013 the total shareholders' funds of JPMSP were U.S.\$529,003,000. As at 31 December 2012 the total shareholders' funds of JPMSP were U.S.\$528,505,000 (U.S.\$527,392,000 as at 31 December 2011). JPMSP's profit on ordinary activities before taxation for the six months ended 30 June 2013 was U.S.\$643,000 (U.S.\$818,000 as at the six months ended 30 June 2012). JPMSP's profit on ordinary activities before taxation for the year ended 31 December 2012 was U.S.\$1,473,000 (U.S.\$2,000,000 for the year ended 31 December 2011). JPMSP's total assets at the six months ended 30 June 2013 were U.S.\$19,894,685,000. JPMSP's total assets at 31 December 2012 were U.S.\$18,621,678,000 (U.S.\$23,248,274,000 as at 31 December 2011). JPMSP's total liabilities as at six months ended 30 June 2013 were U.S.\$19,365,682,000. JPMSP's total liabilities as at 31 December 2012 were U.S.\$18,093,173,000 (U.S.\$22,720,882,000 as at 31 December 2011).

Capital Structure

The authorised share capital of JPMSP is euro 90,000, divided into 90,000 ordinary shares of euro 1.00 each. At incorporation 18,000 ordinary shares were issued. By a notarial deed of share issuance dated 30 March 2007 an additional 2,000 ordinary shares were issued in consideration of U.S.\$500,000,000. The total issued and paid up share capital therefore amounts to 20,000 ordinary shares. JPMSP does not hold any of its own shares.

Memorandum and Articles of Association

JPMSP's objects as set out in Article 3 of its Articles of Association are:

- (i) to incorporate, to participate in any way whatsoever, to manage, to supervise, to operate and to promote enterprises, businesses and companies;
- (ii) to finance businesses and companies;
- (iii) to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with the aforementioned;
- (iv) to enter into swaps and any other derivative transactions whatsoever to hedge the company's exposure under any agreements, securities or other instruments whatsoever to which it is a party;
- (v) to supply advice and to render services to enterprises and companies with which the company forms a group and to third parties;
- (vi) to render guarantees, to bind the company and to pledge its assets for obligations of the companies and enterprises with which it forms a group and on behalf of third parties;
- (vii) to obtain, dispose of, manage and exploit registered property and items of property in general;
- (viii) to trade in currencies, securities and items of property in general;
- (ix) to exploit and trade in patent, trade marks, licences, know how and other intellectual and industrial property-rights; and
- (x) to perform any and all activity of industrial, financial or commercial nature,

as well as everything pertaining to the foregoing, relating thereto or conducive thereto, all in the widest sense of the word.

Operating Profit and Loss

The operating loss of JPMSP for the year ended 31 December 2012 was U.S.\$226,000.

The operating profit of JPMSP for the year ended 31 December 2011 was U.S.\$1,430,000.

Principal Establishments and Real Estate owned

JPMSP does not own any principal establishments, which account for more than 10% (ten per cent.) of its revenues, nor does JPMSP own any real estate directly.

Dividends

JPMSP has not paid any dividends since its incorporation on 6 November 2006.

FORM OF JPMORGAN CHASE BANK, N.A. GUARANTEE

THIS GUARANTEE is made by way of deed on 3 May 2013 by JPMorgan Chase Bank, N.A., a national banking association organised under the federal laws of the United States of America (the "**Guarantor**"), in favour of the Beneficiaries (as defined below).

WHEREAS:

J.P. Morgan Structured Products B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands (the "**Obligor**"), may from time to time issue Notes (up to a Programme limit of U.S.\$50,000,000,000), Warrants and Certificates (each as defined in the Agency Agreement described below) under the Structured Products Programme for the issuance of Notes, Warrants and Certificates (the "**Programme**" and such Notes, Warrants and Certificates, the "Securities" and each a "Security") (each holder of Securities issued by the Obligor, a "**Beneficiary**" and together, the "**Beneficiaries**"), pursuant to (a) an amended and restated agency agreement dated 3 May 2013 among the Obligor, the Guarantor, J.P. Morgan Bank Dublin plc, J.P. Morgan Indies SRL, JPMorgan Chase & Co., The Bank of New York Mellon, The Bank of New York Mellon (Luxembourg) S.A., J.P. Morgan Securities plc ("**JPMS plc**"), Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ), Branch Operation in Finland, BNP Paribas Securities Services and Credit Suisse AG (the "**Agency Agreement**"), with the benefit of (b) (to the extent such Securities are governed by English law) a Deed of Covenant dated 3 May 2013 executed by the Obligor and (c) this guarantee (the "**Guarantee**"), under the terms and conditions set out in the Agency Agreement as completed and/or amended by (d) a Pricing Supplement (as defined in the Agency Agreement), and such Securities may be subscribed by Dealers in accordance with (e) an amended and restated programme agreement dated 3 May 2013 between, amongst others, the Obligor and JPMS plc (the "**Programme Agreement**") (the foregoing, together, as amended and/or supplemented and/or restated from time to time, the "**Programme Documents**").

NOW THIS DEED WITNESSES as follows:

1. **Guarantee**

Subject as provided below, the Guarantor unconditionally and irrevocably guarantees by way of deed poll to each Beneficiary that, if for any reason the Obligor does not pay any sum payable by it or perform any other obligation in respect of any Security issued by it on or after the date hereof (subject as provided in clause 7 below) on the date such payment or performance is due in accordance with the Programme Documents (and for the avoidance of doubt, after any applicable delay or extinguishment due to any event or condition set out in the Programme Documents providing or allowing for delay or extinguishment in respect of the payment or performance of such obligation) the Guarantor will, in accordance with the Programme Documents, pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligations on the due date for such performance. In case of the failure of the Obligor to satisfy such obligations as and when the same become due, the Guarantor hereby undertakes to make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though the Guarantor were the principal obligor in respect of such obligations after a demand has been made on the Guarantor pursuant to clause 8 hereof.

2. **Guarantor as Principal Obligor**

As between the Guarantor and each Beneficiary but without affecting the Obligor's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety, subject as provided below. Accordingly, subject as provided below, the Guarantor will not be discharged, nor will its liability be affected, by (a) any change in the amount, time, manner or place of payment of, or in any other term of, any such obligations, or any other amendment or waiver of or any consent to departure from any of the terms of any Programme Documents or any such obligations; (b) any release, surrender or amendment or waiver of, or consent to departure from, any other guaranty or support document, or any exchange, release or non-perfection of any security, collateral or other credit support, for all or any of the Programme Documents or any such obligations; (c) the status of the Obligor as the debtor or subject of a bankruptcy or insolvency proceeding; (d) the absence of any action to enforce any of the Obligor's obligations or any collateral therefor; (e) the rendering of any judgment against the Obligor or any action to enforce the same; and (f) any admission by the Obligor

in writing of its inability to pay or meet its debts as they may mature or if proceedings are initiated against the Obligor under any applicable insolvency or bankruptcy laws or the Obligor convenes a meeting of its creditors or makes or proposes to make any arrangements or compositions with or any assignment for the benefit of its creditors, save that, for the avoidance of doubt, the Guarantor shall not be liable under this Guarantee where, pursuant to the Programme Documents, the payment or performance by the Obligor in respect of its obligations is not due. In addition to and not in limitation of the preceding proviso, any defences or counterclaims of the Obligor (other than any resulting solely from, or available to the Guarantor solely on account of, the insolvency of the Obligor or the status of the Obligor as the debtor or subject of a bankruptcy or insolvency proceeding) shall also be available to the Guarantor to the same extent as such defences or counterclaims are available to the Obligor and may be asserted as defences or counterclaims by the Guarantor to its obligations hereunder with respect to such obligations of the Obligor, in each case whether or not asserted by the Obligor.

3. Guarantor's Obligations Continuing

The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable and no other obligation remains to be performed under any Security issued by the Obligor on or after the date hereof (in the case where the relevant Security is a Warrant (as defined in the Programme Documents), subject to its exercise). Furthermore, those obligations of the Guarantor are additional to, 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.

4. Discharge by Obligor

If any payment received by, or other obligation discharged to or to the order of, any Beneficiary is, on the subsequent bankruptcy or insolvency of the Obligor, avoided under any laws relating to bankruptcy or insolvency, such payment or obligation will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment or obligation had at all times remained owing due by the Obligor.

5. Subrogation

The Guarantor (1) shall have the right, upon receipt of a demand under this Guarantee by a Beneficiary, to assume the rights and payment obligations of the Obligor to such Beneficiary, together with any right of the Obligor to cure any event of default by or relating to the Obligor, notwithstanding any notice of default/termination previously sent by such Beneficiary to the Obligor, and thereby rescind any notice of default/termination given by such Beneficiary, and (2) shall be subrogated to all rights of the Beneficiaries against the Obligor in respect of any amounts paid by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until all amounts due and payable by the Obligor to the Beneficiaries in respect of the obligations subject to the aforesaid demand for payment, up to the time of such subrogation, have been paid in full.

6. Incorporation of Terms

The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Programme Documents which relate to it.

7. Deposit of Guarantee and Application

This Guarantee shall be deposited with and held by The Bank of New York Mellon for the benefit of the Beneficiaries.

- (i) Subject to (b) and (c) below, this Guarantee (i) applies in respect of each Security issued by the Obligor under the Programme on or after the date hereof (the "**Effective Date**") and (ii) amends, supplants and replaces in its entirety, for all such Securities referred to in (i), the Guarantee referenced in the Base Prospectus for the Programme dated 11 May 2012 (the "**11 May 2012 Guarantee**"). For the avoidance of doubt, the 11 May 2012 Guarantee (and each guarantee of Securities by the Guarantor under the Programme preceding the 11 May 2012 Guarantee, as applicable) shall continue to apply to all Securities issued under the Programme before the Effective Date in accordance with their terms, as applicable.

- (ii) Securities issued on or after the Effective Date which are expressed to be consolidated and form a single series with Securities the first tranche of which was issued prior to the Effective Date, shall not have the benefit of this Guarantee but shall instead have the benefit of the same guarantee of the Guarantor under the Programme granted in respect of such first tranche of Securities.
- (iii) This Guarantee shall not apply in respect of any Securities issued on or after the date on which the Guarantor has granted a subsequent guarantee of Securities issued by the Obligor under the Programme and which subsequent guarantee is expressed to replace this Guarantee in relation to such Securities (unless expressly so provided in the terms of such subsequent guarantee).

8. Demand on Guarantor

Any demand hereunder shall be given in writing, addressed to the Guarantor and served at its office at 1111 Polaris Parkway, Columbus, Ohio 43240, United States of America, Attn: Treasury Department, Regulatory and Guarantee Group – Peter W Smith, Phone: +1 212 270 5815. A demand so made shall be deemed to have been duly made five New York Business Days (as used herein, "**New York Business Day**") means a day (other than a Saturday or Sunday) on which banks are open for business in New York) after the day it was served or if it was served on a day that was not a New York Business Day or after 5.30 p.m. (New York time) on any day, the demand shall be deemed to be duly made five New York Business Days after the New York Business Day immediately following such day.

9. Not Insured

This Guarantee is not insured by the Federal Deposit Insurance Corporation of the United States of America.

10. Governing Law

This Guarantee and any non-contractual obligations arising out of or in connection herewith shall be governed by and construed in accordance with English law.

11. Jurisdiction

This clause 11 is for the benefit of the Beneficiaries only. Subject as provided below, the courts of England shall have exclusive jurisdiction to settle any disputes which may, directly or indirectly, arise out of or in connection with this Guarantee including a dispute relating to any non-contractual obligations arising out of or in connection herewith and accordingly the Guarantor submits to the exclusive jurisdiction of the English courts to hear all suits, actions or proceedings (together hereinafter termed the "**Proceedings**") relating to any such dispute. The Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. Nothing in this clause 11 shall limit the rights of the Beneficiaries to take any Proceedings against the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

12. Service of Process

The Guarantor agrees that service of process in England may be made on it at its London branch. Nothing in this Guarantee shall affect the right to serve process in any other manner permitted by law.

13. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Guarantee, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof this Guarantee has been executed and delivered by JPMorgan Chase Bank, N.A. as a deed on the date first above-mentioned.

JPMorgan Chase Bank, N.A.

GENERAL INFORMATION

1. **No material adverse change in prospects or significant change in financial or trading position of the Issuer**

There has been no material adverse change in the prospects of JPMSP since 31 December 2012.

There has been no significant change in the financial or trading position of JPMSP since 30 June 2013.

3. **No material adverse change in prospects or significant change in financial or trading position of the Guarantor**

There has been no material adverse change in the prospects of JPMorgan Chase Bank, N.A. since 31 December 2012.

There has been no significant change in the financial or trading position of JPMorgan Chase Bank, N.A. and its subsidiaries taken as a whole since 30 June 2013.

4. **Legal and arbitration proceedings**

JPMSP is not and has not been involved in any governmental, legal or arbitration proceedings relating to claims or amounts that are material during the 12 month period ending on the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of JPMSP nor, so far as JPMSP is aware, are any such governmental, legal or arbitration proceedings pending or threatened.

Save as disclosed in Note 23 – Litigation on pages 198 to 206 of the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 30 June 2013 containing the unaudited consolidated financial statements of JPMorgan Chase & Co. for the quarter ended 30 June 2013, which is incorporated by reference into this Prospectus, JPMorgan Chase Bank, N.A. is not and has not been involved in any governmental, legal or arbitration proceedings relating to claims or amounts that are material during the 12 month period ending on the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of JPMorgan Chase Bank, N.A. nor, so far as JPMorgan Chase Bank, N.A. is aware, are any such governmental, legal or arbitration proceedings pending or threatened.

5. **Authorisations**

Accession to the Programme by JPMSP was authorised by a resolution of the Board of Directors of JPMSP dated 16 May 2007 and the update of the Programme was authorised by a resolution of the Board of Directors dated 29 April 2013. Issuances of Securities by JPMSP were authorised by a meeting of the Board of Directors of JPMSP dated 23 May 2007 which has appointed an authorisation committee of the Board of Directors of JPMSP to authorise issuances of Securities at the time of such issuances.

The giving of the JPMorgan Chase Bank, N.A. Guarantee has been authorised pursuant to resolutions adopted by the Board of Directors of JPMorgan Chase Bank, N.A.

6. The following documents, or copies thereof, will be available, during normal business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Principal Programme Agent and at the office of the Paying Agent in Luxembourg, or at the office of each Relevant Programme Agent, as the case may be:

- (i) this Prospectus;
- (ii) the JPMorgan Chase & Co. 2012 Form 10-K, the JPMorgan Chase & Co. 2011 Form 10-K, the JPMorgan Chase & Co. June 2013 Form 10-Q, the JPMorgan Chase & Co. March 2013 Form 10-Q, the JPMorgan Chase & Co. 12 July 2013 Form 8-K, the JPMorgan Chase & Co. 12 April 2013 Form 8-K, the JPMorgan Chase & Co. 2013 Proxy Statement, the JPMorgan Chase Bank, N.A. 2013 Interim Financial Statements, the JPMorgan Chase Bank, N.A. 2012 Audited Financial Statements, the JPMorgan Chase Bank, N.A. 2011 Audited Financial Statements, the JPMSP

2013 Interim Financial Statements, the JPMSP 2012 Audited Financial Statements and the JPMSP 2011 Audited Financial Statements;

- (iii) the documents incorporated by reference herein;
- (iv) the Articles of Association of JPMSP;
- (v) the Articles of Association of JPMorgan Chase Bank, N.A.;
- (vi) the Restated Certificate of Incorporation of JPMorgan Chase & Co.;
- (vii) a copy of the 2013 Base Prospectus, including any documents incorporated therein or any supplement to the 2013 Base Prospectus;
- (viii) the Agency Agreement (which includes the form of the Bearer Global Notes, the Registered Global Notes, the Registered Definitive Notes, the Global Certificates and the Global Warrants);
- (ix) the Deed of Covenant;
- (x) the JPMorgan Chase Bank, N.A. Guarantee; and
- (xi) any supplement or amendment (other than to the 2013 Base Prospectus) to any of the foregoing.

8. **Websites do not form part of this Prospectus**

No websites that are cited or referred to in this Prospectus, shall be deemed to form part of, or to be incorporated by reference into, this Prospectus.

Registered Office of JPMSP

J.P. Morgan Structured Products B.V.

Luna ArenA
Herikerbergweg 238
1101 CM Amsterdam Zuidoost
The Netherlands

**Registered Office of JPMorgan Chase
Bank, N.A.**

JPMorgan Chase Bank, N.A.

1111 Polaris Parkway
Columbus, Ohio 43240
United States of America

Dealer, Arranger and Calculation Agent

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London, E14 5JP
United Kingdom

Principal Programme Agent, Paying Agent and Transfer Agent

The Bank of New York Mellon

One Canada Square
London, E14 5AL
United Kingdom

Paying Agent, Registrar and Transfer Agent

The Bank of New York Mellon (Luxembourg) S.A.

Vertigo Building
Polaris
2-4 rue Eugène Ruppert
L-2453
Luxembourg

Luxembourg Listing Agent

The Bank of New York Mellon (Luxembourg) S.A.

Vertigo Building
Polaris
2-4 rue Eugène Ruppert
L-2453
Luxembourg

Auditors

To JPMSP
PriceWaterhouseCoopers Accountants
N.V.
Thomas R. Malthusstraat 5
PO Box 90357
1006 BJ Amsterdam
The Netherlands

To JPMorgan Chase Bank, N.A.
PriceWaterhouseCoopers LLP
300 Madison Avenue
New York, New York 10017
United States of America

Legal Advisers

To the Issuer

in respect of U.S. tax law

Ashurst LLP
Times Square Tower
7 Times Square
New York, New York 10036
United States of America

in respect of U.S. securities law

Ashurst LLP
Times Square Tower
7 Times Square
New York, New York 10036
United States of America

in respect of Dutch law

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
PO Box 251
1000 AG Amsterdam
The Netherlands

To the Arranger and Dealer

in respect of English law

Ashurst LLP
Broadwalk House
5 Appold Street
London EC2A 2HA
United Kingdom