

J.P.Morgan

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

19,922 Certificates linked to the Enhanced Volatility Curve Index, due June 2013 (the "Securities")

(ISIN: NL0010067088)

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

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 Directive 2003/71/EC (the "**Prospectus Directive**") relating 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 Base Prospectus (as defined below)).

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.

SEE THE SECTION ENTITLED "RISK FACTORS" BELOW FOR CERTAIN INFORMATION THAT SHOULD BE CONSIDERED BY INVESTORS IN THE SECURITIES. SEE ALSO "KEY INVESTOR INFORMATION" WITHIN THE SUMMARY FOR AN OVERVIEW OF ESSENTIAL CHARACTERISTICS OF THE SECURITIES.

Investing in the Securities puts your capital at risk. You may lose some or almost all of your investment.

Dealer

J.P. Morgan

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IMPORTANT NOTICES

Investing in the Securities puts your capital at risk. You may lose some or almost all of your investment.

Each of JPMSP 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. The Index Rules (as defined below) relating to the Enhanced Volatility Curve Index (Bloomberg Code: ENHMHCRV <Index>) (the "**Index**") have been provided by the Index Sponsor (as defined in the Index Rules). Each of the Responsible Persons confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from the information produced by the Index Sponsor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Notwithstanding the above paragraph or anything else in this Prospectus, neither the Issuer nor the Guarantor will accept responsibility for the information given in this Prospectus or the Contractual Terms in relation to offers of Securities made by an offeror not authorised by the Issuer and Guarantor to make such offers. Generally, each person named as "Dealer" or "Manager" and any party named as a "Distributor" (if any) or other "placer" (if any) in the Contractual Terms will be so authorised, but any other party generally will not. Investors should therefore enquire whether the relevant offeror is so authorised by the Issuer and Guarantor and, if it is not, an investor should be aware that neither the Issuer nor the Guarantor will be responsible for this Prospectus or the Contractual Terms for the purposes of the relevant securities laws. Further, whether or not the relevant offeror has been so authorised, no person is authorised to give any information or to make any representation not contained in, or not consistent with, this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer and the Guarantor. If an investor is in any doubt about whether it can rely on this Prospectus and the Contractual Terms and/or who is responsible for the contents thereof it should take legal advice.

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 investors 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 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 should 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 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 Guarantor or J.P. Morgan Securities Ltd. 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.

The distribution of this Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor and the Dealer to inform themselves about and to observe any such restriction. The publication of this Prospectus is not intended as an offer or solicitation for the purchase or sale of any financial instrument in any jurisdiction where such offer or solicitation would violate the laws of such jurisdiction.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive. Neither the Issuer nor the Dealer has authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or the Dealer to publish or supplement a prospectus for such offer. See also "Subscription and Sale" in the Base Prospectus (defined below) incorporated by reference into this Prospectus.

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 in the Securities 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 in the Securities 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 in the Securities 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.

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 (www.esma.europa.eu).

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.

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 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 (the "OCC")

has not approved or disapproved of the JPMorgan Chase Bank Guarantee or determined that this Prospectus is accurate or complete.

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.

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.

Unregulated Securities: The Securities do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not subject to supervision by the Swiss Financial Market Supervisory Authority FINMA.

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.

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:

- (i) "U.S.\$ ", "USD", "\$" and "U.S. Dollars" are to United States dollars;
- (ii) "JPMorgan Chase" are to JPMorgan Chase & Co. and its consolidated subsidiaries; and
- (iii) "JPMorgan Chase Bank" are to JPMorgan Chase Bank, N.A. and its consolidated subsidiaries.

SUMMARY

This summary must be read as an introduction to this Prospectus and any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons (as defined above) in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Key Investor Information

This section "Key Investor Information" forms part of the Summary and provides you with key investor information about this product. It is not marketing material. The information is being provided to help you understand the nature and risks of the Securities. You are advised to read it before deciding whether to invest.

1. Title of Securities and securities codes

J.P. Morgan Structured Products B.V. 19,922 Certificates linked to the Enhanced Volatility Curve Index, due June 2013 (the "Securities")

- (i) ISIN Code: NL0010067088
- (ii) Common Code: 079479225

2. Name of Issuer of the Securities

The Issuer is J.P. Morgan Structured Products B.V.

J.P. Morgan Structured Products B.V. was incorporated as a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands in Amsterdam, The Netherlands, on 6 November 2006 to exist for an unlimited duration. J.P. Morgan Structured Products B.V.'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.

3. Name of any Guarantor of the Securities

The Guarantor is JPMorgan Chase Bank, N.A.

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 one of the principal bank subsidiaries of JPMorgan Chase & Co. JPMorgan Chase Bank, N.A.'s activities are organised and integrated with the businesses of JPMorgan Chase & Co.

4. Status of Securities and of any guarantee

- (i) The Securities are unsecured and unsubordinated obligations of the Issuer. There are no cross default or negative pledge provisions in respect of the Securities.
- (ii) The guarantee of JPMorgan Chase Bank, N.A. is an unsecured and unsubordinated general obligation of JPMorgan Chase Bank, N.A. and not of any of its affiliates. The guarantee: (a) 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 (b) 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.

5. Governing Law

The Securities shall be governed by English law. The JPMorgan Chase Bank, N.A. Guarantee is governed by the laws of the State of New York.

6. Issue price and form of the Securities

- (i) The issue price was USD 1,000 per Security.

Warning: the issue price may be more than (a) the market value of the Securities as at the issue date of the Securities, the date of this Prospectus or any other date and (b) the amount, if any, by which J.P. Morgan Securities Ltd. (as dealer) or any other person is willing to purchase the Securities in the secondary market, and may take into account amounts (I) with respect to commissions relating to the issue and sale of the Securities and (II) relating to the hedging of the Issuer's obligations under the Securities. If you are intending to purchase Securities through an intermediary (including by way of introducing broker) you should request details of any such commission or fee payment from such intermediary before making any purchase.

- (ii) The Securities will be represented on issue by a temporary global security in registered form exchangeable upon certification of non-U.S. beneficial ownership for a permanent global security in registered form exchangeable, in limited circumstances, for Securities in definitive registered form.

7. Issue date, settlement date and redemption date and early redemption

- (a) The issue date is 13 June 2012.
- (b) The settlement date and redemption date is 13 June 2013 (subject to adjustment for non-business days).
- (c) The Securities may be redeemed at the option of the Issuer prior to the redemption date for taxation reasons or for reasons of illegality under the Conditions of the Securities. See General Conditions 16 and 17 of the "General Conditions" in the Base Prospectus (defined below), incorporated by reference in this Prospectus. In such case, the amount payable on early redemption shall be, for each Security, an amount determined by the Calculation Agent as the fair market value of the Security taking into account all relevant factors (but ignoring the event which resulted in such redemption) less all costs incurred by the Issuer or any affiliate in connection with such early redemption determined by the Calculation Agent in good faith and in a commercially reasonable manner.

8. Information on the Reference Asset

Reference Asset	Initial Index Level	Final Index Level	Valuation Date
The Index as more fully described in the Enhanced Volatility Curve Index Rules set out in Part 1 (<i>Enhanced Volatility Curve Index Rules</i>) (the " Index Rules ") of the Schedule hereto	128.65	The Index Level in respect of the Valuation Date (as determined by the Calculation Agent, and subject to adjustment and correction in accordance with the Conditions)	31 May 2013, or if such day is not an Index Business Day (as defined in the Index Rules), the next following Index Business Day





9. Interest on the Securities

No interest shall be payable in respect of the Securities.

10. Redemption Amount of the Securities

- (i) The redemption amount payable in respect of the Securities on the scheduled redemption date is linked to the performance of the Reference Asset. **Holder of the Securities shall have no rights in relation to the Reference Asset.**
- (ii) Unless the Securities have previously been redeemed, or purchased and cancelled, prior to the scheduled redemption date under the Conditions of the Securities including any redemption pursuant to paragraph 7(c) above, the Securities will be redeemed on the scheduled redemption date, and the redemption amount for each Security payable on such date shall be an amount in the Specified Currency determined by the Calculation Agent as the greater of (I) USD 1 and (II) the sum of (a) the product of (x) USD 1,000 and (y) the quotient of (A) the Final Index Level (as numerator) and (B) the Initial Index Level (as denominator) and (b) the product of (x) USD 1,000 and (y) the Cash USD Index Level (as described in paragraph 10(iii) below) in respect of the Valuation Date minus one.
- (iii) The Cash USD Index Level in respect of each Cash Business Day (being any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City) in respect of the period from but excluding 1 June 2012 to (but excluding) the Valuation Date (the “Cash USD Calculation Period”) and the Valuation Date shall be an amount determined by the Calculation Agent as the product of (I) the Cash USD Index Level in respect of the Cash Business Day immediately preceding such Cash Business Day (or, where such Cash Business Day is the first Cash Business Day in the Cash USD Calculation Period, one) and (II) the sum of (a) one and (b) the quotient of (x) the product of (A) the Federal Funds Effective Rate US on the Cash Business Day immediately preceding such Cash Business Day (or, where such Cash Business Day is the first Cash Business Day in the Cash USD Calculation Period, on 1 June 2012) as calculated by the Federal Reserve Bank of New York and appearing on Bloomberg page “FEDL01 Index” and (B) the number of calendar days in the period commencing on (and including) the Cash Business Day immediately preceding such Cash Business Day (or, where such Cash Business Day is the first Cash Business Day in the Cash USD Calculation Period, commencing on and including, 1 June 2012) and finishing on (but excluding) such Cash Business Day (as numerator) and (y) three hundred and sixty (as denominator).

11. Representative Symbols*

Horizon	Market Outlook	Invested Amount will be repaid?***	Investment Objective
			
1 year or less	Bullish	Principal at Risk	Growth

* Classification of structured products into categories is not intended to guarantee particular results or performance

** Any amount that would otherwise be payable in accordance with the redemption formula described above on early or final redemption of the Securities, is subject to (i) insolvency of the Issuer and Guarantor, (ii)(a) prior sale or (b) early redemption of the Securities for certain events (e.g., illegality) and (iii) adjustment made to the terms of the Securities.

12. Key risks

The risks described below are provided to highlight certain of the essential categories of risk only, and are by no means comprehensive. You should read "Risk Factors" in this Prospectus for a fuller description of certain risks in relation to the Securities.

Investing in the Securities puts your capital at risk. You may lose some or almost all of your investment

(i) ***Risk that the Securities are not suitable or appropriate for you***

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 almost all of your investment and (ii) the relationship of the potential payout on the Securities to the performance of the underlying Reference Asset, including the characteristics and risks inherent in the Reference Asset.

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 this Prospectus.

You should not invest in the Securities unless you can withstand a loss of almost all of your invested amount.

(ii) ***Risk relating to the ability of the Issuer and the Guarantor to make all payments under the Securities or to fulfil their respective obligations under the Securities to Holders***

It is possible that the Issuer and the Guarantor could go bankrupt or otherwise be unable to make the payments owing under the Securities or to fulfil their respective obligations under the Securities to Holders. If that happens, you will not have the protection of any deposit insurance scheme and will not be secured, and may lose some or all of your money.

(iii) ***Risk from having no interest in the Reference Asset***

You should be aware that holders of Securities will have no interest whatsoever in the underlying Reference Asset, and the Issuer may apply your purchase moneys for any corporate purposes. Therefore, if the Issuer and Guarantor fail to make the required payments under the Securities, you will not be able to claim against any assets.

(iv) ***Risk as to the market value and payout of the Securities***

Purchasers of the Securities will be exposed to the performance of the Reference Asset: the past performance of the Reference Asset is not indicative of future performance. The market value of the Securities may be highly volatile and may be adversely affected by a number of factors, such as (i) the credit rating of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co. (which credit ratings may move independently of each other), (ii) the performance of the Reference Asset and (iii) various other factors.

(v) ***Risk that there will not be a liquid secondary market into which the Securities may be sold***

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 Securities to sell them.

(vi) ***Conflicts of Interest:*** J.P. Morgan affiliates are subject to certain conflicts of interest between their own interests and those of Holders of the Securities. You should read "Conflicts of Interest" below.

13. Calculation Agent

The Calculation Agent shall be J.P. Morgan Securities Ltd. The Calculation Agent has broad discretion in certain circumstances to make certain determinations, including to make adjustments to the terms of the Securities and/or to cause early redemption of the Securities, any of which may be adverse to holders of the Securities.

14. Listing, clearance and rating

- (a) Application has been made for the Securities to be listed on the Official List of the Luxembourg Stock Exchange 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).
- (b) The Securities will be cleared on the issue date through Euroclear and Clearstream, Luxembourg.
- (c) The Securities will not be rated.

15. Practical Information

- (a) You can find further information on the Issuer and the Guarantor in this Prospectus (including the information incorporated by reference in "Documents Incorporated by Reference" below). The documents incorporated by reference will be available on the Luxembourg Stock Exchange's website (www.bourse.lu).

You can find the SEC filings of JPMorgan Chase & Co. (the parent company of the Guarantor) on the website maintained by the SEC at <http://www.sec.gov>. and also 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.

- (b) You can find further information on the Reference Asset at www.bloomberg.com (the information appearing on such web-site does not form part of this Prospectus).

16. Date of Publication

This Summary (including this Key Investor Information) is published on 29 June 2012.

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 each Security will be calculated in accordance with the terms and conditions of the Securities as set out in this Prospectus.

The following scenarios assume that the investor invested U.S. \$1,000 per Security.

(i) **Final Redemption Amount.**

- (a) **Scenario 1:** *The Final Index Level is greater than or equal to the Initial Index Level and the Cash Amount (as to which see (ii) below) is a positive amount or zero.*

In this scenario, the Securities will be redeemed on the scheduled redemption date and the redemption amount payable per Security will be at least U.S. \$1,000.

In this scenario, an investor in the Securities may receive a return on the amount invested.

- (b) **Scenario 2:** *The Final Index Level is greater than or equal to the Initial Index Level and the Cash Amount is a negative amount.*

In this scenario, the Securities will be redeemed on the scheduled redemption date and the redemption amount payable per Security could be less than, equal to or greater than U.S. \$1,000 depending on the Cash Amount and by how much the Final Index Level is greater than the Initial Index Level.

In this scenario, an investor in the Securities may sustain a loss of some of the amount invested.

- (c) **Scenario 3:** *The Final Index Level is less than the Initial Index Level and the Cash Amount is a positive amount or zero.*

In this scenario, the Securities will be redeemed on the scheduled redemption date and the redemption amount payable per Security could be less than, equal to or greater than U.S. \$1,000 depending on the Cash Amount and by how much the Final Index Level is less than the Initial Index Level.

In this scenario, an investor in the Securities may sustain a loss of some of the amount invested.

- (d) **Scenario 4:** *The Final Index Level is less than the Initial Index Level and the Cash Amount is a negative amount or zero.*

In this scenario, the Securities will be redeemed on the scheduled redemption date and the redemption amount payable per Security will be less than U.S. \$1,000 and could be as low as U.S. \$1 (but will not be lower than U.S. \$1).

In this scenario, an investor in the Securities will sustain a loss of some of the amount invested and may sustain a loss of almost all of the amount invested.

- (ii) **Cash Amount** – *Whether a Cash Amount is a positive or negative amount will depend on the Federal Funds Effective Rate US on each Cash Business Day.*

- (a) **Scenario 1:** If the Federal Funds Effective Rate US on each Cash Business Day is greater than or equal to zero, then the Cash Amount will be a positive amount.
- (b) **Scenario 2:** If the Federal Funds Effective Rate US on each Cash Business Day is less than zero, then the Cash Amount will be a negative amount.
- (c) **Scenario 3:** If the Federal Funds Effective Rate US on each Cash Business Day varies between being greater than or equal to zero and less than zero, then whether the Cash Amount is a positive amount or a negative amount will depend on (i) the difference between the Federal Funds Effective Rate US on each such Cash Business Day and zero and (ii) the number of Cash Business Days on which the Federal Funds Effective Rate US is greater than or equal to zero and the number of Cash Business Days on which the Federal Funds Effective Rate US is less than zero (as applicable).

RISK FACTORS

Purchase of these Securities involves substantial risks: Potential investors should ensure that they understand the nature of the risks posed by, and the extent of their exposure under, the Securities. Potential investors should make all pertinent inquiries they deem necessary without relying on the Issuer, the Guarantor, or the Dealer. Potential investors should consider the suitability of the Securities as an investment in light of their own circumstances, investment objectives, tax position and financial condition. Potential investors should consider carefully all the information set forth in this Prospectus along with all the information incorporated by reference into this Prospectus, including, for the avoidance of doubt, the risk factors that may affect the relevant Issuer's and Guarantor's ability to fulfil their respective obligations under the Securities, 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 a purchase of Securities**

1.1 **Purchasers of Securities may receive back less than the original invested amount:** Purchasers of Securities may lose up to the entire value of their invested amount in the Securities as a result of the occurrence of any one or more of the following events:

- (a) due to the performance of the Reference Asset the redemption amount of the Securities payable under the terms and conditions is less than the original invested amount;
- (b) the Issuer and the Guarantor of the Securities are subject to insolvency proceedings or some other event impairing the ability of each to meet its obligations under the Securities;
- (c) 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 investor's initial investment; and
- (d) 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 an investor'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 the 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:

- (a) have sufficient knowledge and experience (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment and/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;

- (b) 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;
- (c) 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;
- (d) understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment and/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;
- (e) understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment and/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
- (f) 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.

None of the Issuer, the Guarantor, the Dealer or any consolidated affiliate of JPMorgan Chase & Co. (each a “**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 the Issuer is acting as an arm's-length contractual 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 specified in this Prospectus may be more than the market value of the 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, the Issue Price in respect of the 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 such Securities may be able to sell such 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 nearly all of the invested amount of the Securities on redemption**

- (a) *The Securities are subject to the credit risk of the relevant Issuer and (if applicable) Guarantor. The credit ratings and credit spreads of the relevant entities may adversely affect the market value of the Securities, and any default by the Issuer and (if applicable) Guarantor on its payment obligations would reduce the amount an investor would receive on the Securities, possibly to zero*

The Securities are subject to the credit risk of the relevant Issuer and (if applicable) Guarantor, and their respective credit ratings and credit spreads may adversely affect the market value of the Securities. Investors are dependent on the relevant Issuer's and (if applicable) Guarantor's ability to pay (or deliver, as applicable) 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 affect adversely the value of the Securities. If the relevant Issuer and (if applicable) Guarantor were to default on its payment obligations, an investor may not receive any amounts owed to it under the Securities and could lose its entire investment.

As described in "*JPMorgan Chase & Co. – Trend information / Business Outlook*" (see pages 345-346 of the Base Prospectus) the Chief Investment Office (which is part of the Corporate segment) of JPMorgan Chase & Co. has had, since the end of the first quarter of 2012, significant mark-to-market losses in its synthetic credit portfolio, partially offset by securities gains. These and any future losses may lead to heightened regulatory scrutiny and additional regulatory or legal proceedings against JPMorgan Chase, and may continue to adversely affect the credit ratings and credit spreads of JPMorgan Chase entities (including the Guarantors and Issuers) and, as a result, the market value of the Securities. See "*JPMorgan Chase & Co. – Trend information / Business Outlook*" in the Base Prospectus; the JPMorgan Chase & Co. March 2012 Form 10-Q incorporated by reference in the Base Prospectus; "*Risk Factors*" – "6. Risk factors that may affect the relevant Issuer's and Guarantor's (if any) ability to fulfil their respective obligations under the Securities" – "6.7 Risk Management – JPMorgan Chase's framework for managing risks may not be effective in mitigating risk and loss to JPMorgan Chase" in the Base Prospectus, for further discussion.

- (b) ***The amount payable on redemption of the Securities, and the market value of the Securities at any time, may be less than the original invested amount***

The return on the Securities is linked to the value of the Reference Asset. The Securities are not principal protected instruments. The Securities do not pay interest and the investor may lose some or almost all of the invested amount used to purchase the Securities. The price at which an investor will be able to sell Securities to the Issuer or its affiliates prior to the redemption date, if at all, may be at a substantial discount from the invested amount used to purchase the Securities, even in cases where the value of the Reference Asset have appreciated since the Issue Date.

- (c) ***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. 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.

- (d) ***The credit ratings 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. As such, 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 likely to be rated more highly than JPMorgan Chase & Co. but potential investors should check the relevant rating at the time of considering any purchase of Securities.

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

- (e) ***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 underlying Reference Asset***

The Securities which are linked to the Reference Asset represent an investment linked to the economic performance of the Reference Asset and investors should note that any return on their investment in the Securities will depend upon the performance of the Reference Asset. Investors should not invest in the Securities if they do not fully understand how the performance of the Reference Asset may affect the pay-out and value of the Securities, including (a) the potential to lose all of their investment, (b) any limit on potential profits and (c) the effects of any leverage.

As the amounts payable in respect of the Securities are linked to the performance of the Reference Asset, an investor in the Securities must generally make correct predictions as to the direction, timing and magnitude of an anticipated change in the value of the Reference Asset or other basis which may be specified in this Prospectus. However, it is impossible to make such predictions with any degree of certainty, and 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 the Reference Asset during the term of the Securities.

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. Investors should also note that while the market value of the Securities linked to the Reference Asset will be influenced (positively or negatively) by the Reference Asset, any change may not be comparable or directly proportionate to the change in value of the Reference Asset.

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

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

- (a) market interest and yield rates;
- (b) the time remaining to the Redemption Date and Settlement Date; and
- (c) numerous other economic, political and other factors.

The amount payable in respect of 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 exercising or selling Securities, Holders should carefully consider, among other things, (a) the trading price of the Securities, (b) the value and volatility of the Reference Asset, (c) the time remaining to expiration, (d) the probable range of amounts payable on the Securities, (e) any changes in interim interest rates, (f) any changes in currency exchange rates and (g) any related transaction costs, (h) the depth of the market or liquidity of products linked to the Reference Asset and (i) 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.

- (g) ***The market value of Securities may be highly volatile:*** 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 and large unpredictable changes over time and this degree of change is known as "volatility". The volatility of the 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 upon their value or the ability of the investor in the Securities to dispose of them. Subject to the rules of any relevant stock exchange, the Issuer or the Guarantor may seek in its reasonable commercial discretion the delisting of any Securities without notice to the Holders of such Securities.

A secondary market is unlikely to develop and, even if a secondary market does develop, it is not possible to predict the price at which 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 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 their 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 prior to their scheduled final redemption date:** In certain circumstances, the Early Payment Amount payable on the redemption of a Security prior to its scheduled maturity may be less than its original purchase price and could be as low as zero.

Following early redemption of Securities, the Holders of 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.

Securities may be redeemed prior to maturity for any of the following reasons:

- (i) the occurrence of certain events or other circumstances in relation to the Reference Asset at the discretion of the Calculation Agent (see the Specific Product Provisions);
- (ii) 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*));
- (iii) 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*));
- (iv) following an Event of Default (see General Condition 15 (*Events of Default*)); or
- (v) 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 the Foreign Account Tax Compliance Act, that there is a substantial likelihood that it will otherwise violate any agreement it may reach with the U.S. taxing authority with respect to the Foreign Account Tax Compliance Act or that the Securities will, or there is a substantial likelihood that the Securities will, be treated, for U.S. federal income tax purposes, as in bearer form (see General Condition 17.3 (*Early Redemption or Termination for Taxation – FATCA*)).

With regard to early redemption due to any of the above events, including due to illegality or tax, the Early Payment Amount in respect of each Security shall (unless otherwise specified in this Prospectus) be an amount determined by the Calculation Agent as representing the fair market value of such Securities immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any equity options, equity swaps or other Securities of any type whatsoever hedging the Issuer's obligations under the Securities). An investor in Securities should be aware that this

Early Payment Amount may be less than the investor's initial investment, and in such case see risk factor 1.1 (*Purchasers of Securities may receive back less than the original invested amount*).

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:

- (i) ***JPMorgan Chase affiliates may take positions in or deal with the Enhanced Volatility Curve Index (Bloomberg Code: ENHMHCRV <Index>) (the "Index"):*** The Issuer, the Guarantor and/or other JPMorgan Chase affiliates may take positions in or deal with the Index which 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.
- (ii) ***The Calculation Agent has broad discretionary powers which may not take into account the interests of the Holders:*** 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 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.
- (iii) ***JPMorgan Chase may have confidential information relating to the Securities:*** Certain JPMorgan Chase affiliates may from time to time possess or have access to information relating to the Securities. Such affiliates will not be obliged to disclose any such information to a purchaser of the 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 the valuation date, any consequential postponement of, or any alternative provisions for, valuation provided in the Securities 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 the Reference Asset: Investors intending to invest in Securities to hedge against the market risk associated with investing in the Reference Asset should recognise the complexities of utilising 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 any 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 **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 the Securities may be amended by the Issuer with the agreement of the Principal Programme Agent but 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.

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 up to 50 per cent. of the Holders (in the case of minor amendments) or 75 per cent. of the Holders (in the case of more fundamental amendments). 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)*).

2.11 **The Issuer or the Guarantor of Securities may be substituted without the consent of the Holders:** The Issuer or the Guarantor of Securities may be substituted (subject to 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*)) as obligor under such Securities in favour of any company from JPMorgan Chase & Co. and its consolidated subsidiaries. Whilst the new issuer will 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, Holders will not have the right to object to such substitution. See General Condition 26 (*Substitution*).

2.12 **Payments to Holders in respect of the Securities and payments received by the Issuer may be subject to U.S. withholding taxes, which may give rise to a right for the Issuer to redeem or terminate the Securities early**

Under recently enacted U.S. tax legislation commonly known as the Foreign Account Tax Compliance Act ("**FATCA**"), the Issuers or an intermediary may be required to withhold a U.S. withholding tax of up to 30 per cent. on payments including principal and gross proceeds, made on or after 1 January 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) a non-U.S. Holder or beneficial owner that is a foreign financial institution (an "**FFI**") and that does not have in place an effective reporting and withholding agreement with the U.S. Internal Revenue Service and (ii) other Holders or beneficial owners that do not comply with the relevant Issuer's or any intermediary's requests for ownership certifications and identifying information or, if applicable, for waivers of non-U.S. law prohibiting the release of such information to the U.S. Internal Revenue Service (the "**IRS**") (such Holders and beneficial owners, "**Recalcitrant Holders**"). In

the event that an Issuer is required to deduct a withholding tax under FATCA, no additional amounts will be paid to the Holder of the Security.

Under FATCA, JPMS (a "Non-U.S. Issuer") may also be subject to a withholding tax of up to 30 per cent. on payments of U.S. source interest, U.S. source dividends and gross proceeds from the sale of certain U.S. assets made on or after 1 January 2014 if the Issuer does not have in place an effective reporting and withholding agreement with the IRS. In the event a 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 that it otherwise will be in violation of an agreement entered into with the IRS in connection with FATCA, it is possible that a portion or all Securities of a series 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).

It is anticipated that each Non-U.S. Issuer will comply with the new reporting requirements and, thus, will be required, among other things, to agree to withhold 30 per cent. of "passthru" payments made to any Recalcitrant Holders. A payment with respect to a Security may be treated as a passthru payment to the extent of (i) the amount (if any) of the payment that is treated as U.S. source income (generally, U.S. source interest or U.S. source dividends, and gross proceeds from the sale of assets that can produce U.S. source interest or U.S. source dividends) plus (ii) the remaining amount of the payment multiplied by a ratio equal to the relevant Non-U.S. Issuer's average U.S. assets to its average total assets, based on specified testing dates. Should a Non-U.S. Issuer withhold on payments to its Recalcitrant Holders, there will be no "gross up" (or any other additional amount) payable by way of compensation to such Holders for the amounts deducted.

3. **Risk factors that are generic to Securities that are linked to Reference Asset**
- 3.1 **The performance of the Securities is linked to the performance of the Reference Asset:** The investors in the Securities are exposed to the performance of the Reference Asset.
- 3.2 **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 Securities should not be regarded as indicative of the range of, or trends in, fluctuations in the Reference Asset that may occur in the future.
- 3.3 **Postponement or alternative provisions for the valuation of a 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 make 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.
- 3.4 **The Calculation Agent has broad discretion to make certain determinations and adjustments, 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 redemption 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 redemption 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 (and ignoring the circumstances leading to) such early redemption. Potential purchasers of Securities should be aware that it is likely that such Early Payment Amount will be less than the purchaser's initial invested amount, and in such case see risk factor 1.1 (*Purchasers of Securities may receive back less than the original invested amount*) above. Following any such early redemption of Securities, the purchasers of such Securities will generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the expected yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Purchasers of Securities should consider such reinvestment risk in light of other investments available at that time.

4. **Risk factors associated with Securities that are linked to one or more specific types of Reference Asset**

4.1 **Risks associated with an Index as a Reference Asset:** An investment in Index Linked Securities entails significant risks in addition to those associated with investments in a conventional security (such as a debt security).

4.2 **Risks associated with the Enhanced Volatility Curve Index as a Reference Asset:** An investment in the Securities entails significant risks in addition to those associated with investments in conventional security (such as a debt security). Capitalised terms used in this Risk Factor 4.2 and not defined herein shall have the respective meaning ascribed to each in this Prospectus, or, if not defined in this Prospectus, the meaning ascribed in the Base Prospectus.

- (i) ***Proprietary and Rules-Based Trading Index:*** The Reference Asset follows a notional rules-based proprietary trading strategy that operates on the basis of pre-determined rules. Accordingly, potential investors in investment products which are linked to the performance of the Reference Asset should determine whether the applicable rules-based proprietary trading strategy is appropriate in light of their individual circumstances and investment objectives. No assurance can be given that the investment strategy on which the Reference Asset is based will be successful in achieving the investment objectives of any potential investor.
- (ii) ***Notional Exposures:*** The Reference Asset comprises notional assets and liabilities. The exposures to the reference assets constituting the Reference Asset are purely notional and will exist solely in the records maintained by or on behalf of the Index Calculation Agent (as described in Part 1 (*Enhanced Volatility Curve Index - Index Rules*) (the "**Index Rules**") of the Schedule hereto. Consequently, investors in investment products which are linked to the performance of the Reference Asset will not have any claim against any of the reference assets which comprise the Reference Asset.
- (iii) ***Lack of Operating History:*** The Reference Asset is only recently established and therefore has little or no history to evaluate its likely performance. Any back-testing or similar analysis performed by any person in respect of the Reference Asset must be considered illustrative only and may be based on estimates or assumptions not used by the Index Calculation Agent when determining the index level of the Reference Asset. Past performance should not be considered indicative of future performance.

- (iv) **Market Risks:** The performance of the Reference Asset is dependent on, amongst other things, the performance of the components in respect of the Reference Asset and the futures contracts referenced in each of the baskets of such components (all as described in the Index Rules). As a consequence, investors in investment products the return on which is linked to the Reference Asset should appreciate that their investment is exposed to the performance of these components and these baskets and, in turn, these futures contracts.
 - (v) **Index Calculation Agent Discretion:** The Index Rules confer on the Index Calculation Agent (as defined in the Index Rules) discretion in making certain determinations and calculations from time to time. The exercise of such discretion in the making of calculations and determinations may adversely affect the performance of the Reference Asset. Without limitation to the generality of the foregoing, the Index Calculation Agent has a discretion (which must be exercised in good faith and in a commercially reasonable manner) in relation to the replacement of the specified futures contracts indirectly constituting the Reference Asset in certain specified events (as described in the Index Rules).
5. **Risk factors that may affect the Issuer's and Guarantor's ability to fulfil their respective obligations under the Securities:** Investors are advised to review the information contained in the Base Prospectus Risk Factor 6, "Risk Factors that may affect the relevant Issuer's and Guarantor's (if any) ability to fulfil their respective obligations under the Securities" that has been incorporated by reference into this Prospectus, together with the information in relation to the Issuer and the Guarantor incorporated by reference below. Investors are exposed to the credit risk of the Issuer and the Guarantor.

CONFLICTS OF INTEREST

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

JPMorgan Chase affiliates may take positions in or deal with Reference Asset(s)

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 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.

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 a Series of 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.

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.

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.

The calculation agent of the Reference Asset from time to time may be a JPMorgan Chase affiliate. Such calculation agent has broad discretionary powers which may not take into account the interests of the holders of the Reference Asset and the Holders

As the calculation agent of the Reference Asset (the "**Reference Asset Calculation Agent**") may be a JPMorgan Chase affiliate, potential conflicts of interest may exist between the Reference Asset Calculation Agent and the Holders, including with respect to the exercise of the very broad discretionary powers of the Reference Asset Calculation Agent. For example, the Reference Asset Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to the Reference Asset have occurred and (ii) to determine any resulting adjustments and calculations or substitutions as described in such conditions. Potential purchasers should be aware that any determination made by the Reference Asset 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 Reference Asset Calculation Agent (in the absence of manifest or proven error) shall be binding on the Holders.

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 contained in the following document(s) is hereby incorporated by reference into this Prospectus and deemed to form a part of this Prospectus:

- (i) the base prospectus dated 11 May 2012 relating to issues of non-equity securities under the Programme by 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 "**Base Prospectus**"); and
- (ii) the supplement to the Base Prospectus dated 21 May 2012 in respect of (i) an amendment to the "Risk Factors" section of the Base Prospectus, and (ii) amendments to the Executive Officers table in the sections "JPMorgan Chase & Co. – Executive Officers and Directors" and "JPMorgan Chase Bank, N.A. – Executive Officers and Directors" of the Base Prospectus (the "**May 2012 Supplement**").

The table below sets out the relevant page references for the information incorporated into this Prospectus by reference. Any information not listed below but included in the documents incorporated by reference is given for information purposes only.

Information incorporated by reference	Page reference
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From the Base Prospectus

Cautionary Note regarding Forward Looking Statements	Pages 6 to 7
Risk Factor 6, "Risk Factors that may affect the relevant Issuer's and Guarantor's (if any) ability to fulfil their respective obligations under the Securities"	Pages 46 to 62
Documents Incorporated by Reference	Pages 64 to 72
The following documents are documents which are incorporated by reference into the Base Prospectus:	

- (i) the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2011;
- (ii) the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2010;
- (iii) the Current Report on Form 8-K of JPMorgan Chase & Co. dated 4 November 2011 containing revisions to the information contained in the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2010 which reflect changes in JPMorgan Chase & Co.'s business segments that became effective on 1 July 2011;
- (iv) the Proxy Statement on Schedule 14A of JPMorgan Chase & Co. dated 4 April 2012;
- (v) the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the Quarter ended 31 March 2012;
- (vi) the audited consolidated financial statements of JPMorgan Chase Bank, N.A. for the three years ended 31 December 2011;
- (vii) the audited consolidated financial statements of JPMorgan Chase Bank, N.A. for the three years ended 31 December 2010;

(viii)	the JPMSP audited financial statements for the year ended 31 December 2011; and	
(ix)	the JPMSP audited financial statements for the year ended 31 December 2010.	
	General Description of the Programme	Pages 73 to 79
	Commonly Asked Questions	Pages 80 to 94
	General Conditions	Pages 95 to 191
	Use of Proceeds	Page 334
	Form of JPMorgan Chase Bank, N.A. Guarantee	Pages 339 to 342
	JPMorgan Chase & Co.	Pages 343 to 367
	JPMorgan Chase Bank, N.A.	Pages 368 to 371
	J.P. Morgan Structured Products B.V.	Pages 372 to 374
	Book-Entry Clearing Systems	Pages 380 to 383
	Subscription and Sale	Pages 384 to 408
	Certain ERISA Considerations	Pages 430 to 434
	Taxation	Pages 435 to 519
	General Information	Pages 520 to 524
	Guide to symbols which may appear on Final Terms	Pages 525 to 527
	Index of Defined Terms	Pages 528 to 556

From the May 2012 Supplement

	Amendment to the "Risk Factors" section in the Base Prospectus	Page 3
	Amendments to the sections entitled "JPMorgan Chase & Co." and "JPMorgan Chase Bank, N.A." in the Base Prospectus	Page 3

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of the 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 filed under Article 16 of the Prospectus Directive, including any documents incorporated therein by reference, modifies or supersedes such earlier statement. 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 Consolidated Reports of Condition and Income ("**Call Reports**") with its primary federal regulator, the OCC. These Call Reports are publicly available upon written request to the FDIC at 550 17th Street, N.W., Washington D.C. 20429, Attention: Disclosure Group, Room F-518. 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.

SELECTED FINANCIAL INFORMATION**Selected Financial Information of the Issuer**

The profit after tax of JPMSP for the financial year ending 31 December 2011 was U.S.\$1,347,000 (U.S.\$1,284,000 for the financial year ended 31 December 2010). As at 31 December 2011 the total shareholders' funds of JPMSP were U.S.\$527,392,000 (U.S.\$526,045,000 as at 31 December 2010). JPMSP's profit on ordinary activities before taxation for the year ended 31 December 2011 was U.S.\$2,000,000 (U.S.\$1,777,000 for the year ended 31 December 2010). JPMSP's total assets at 31 December 2011 were U.S.\$23,248,274,000 (U.S.\$27,748,819,000 as at 31 December 2010). JPMSP's total liabilities as at 31 December 2011 were U.S.\$22,720,882,000 (U.S.\$27,222,774,000 as at 31 December 2010).

Selected Financial Information of the Guarantor*Selected income statement data*

(in millions)	Year ended 31 December	
	2011	2010
Total net revenue	\$ 73,272	\$ 74,594
Provision for credit losses	5,344	9,406
Total noninterest expense	51,578	49,431
Income before income tax expense	16,350	15,757
Net income	\$ 12,456	\$ 11,826

Selected balance sheet data

(in millions)	31 December	
	2011	2010
Trading assets	\$ 322,558	\$ 358,150
Securities	357,104	310,762
Loans, net of allowance for loan losses	578,648	530,569
Total assets	1,811,678	1,631,621
Deposits	1,190,738	1,019,993
Long-term debt	81,888	67,584
Total stockholders' equity	130,777	123,217

CONTRACTUAL TERMS

The Conditions of the Securities shall comprise the General Conditions (as completed and/or amended by the terms of the relevant Specific Product Provisions as specified to be applicable by these Contractual Terms) incorporated by reference herein (see "Documents Incorporated by Reference" above), as completed and/or amended by these Contractual Terms.

- | | | | |
|----|------|--|---|
| 1. | (i) | Issuer: | J.P. Morgan Structured Products B.V. |
| | (ii) | Guarantor: | JPMorgan Chase Bank, N.A. |
| 2. | (i) | Series Number: | Not Applicable |
| | (ii) | Tranche Number: | One |
| 3. | | Specified Currency or Currencies: | United States dollar ("U.S.\$ " or "USD") |
| 4. | | Notes, Warrants or Certificates: | Certificates |
| 5. | | Number of Certificates: | |
| | (i) | Series: | 19,922 |
| | (ii) | Tranche: | 19,922 |
| 6. | | Issue Price: | USD 1,000 per Certificate |

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, 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) | Notional Amount per Certificate: | Not Applicable |
| (ii) | Trading in Units (<i>Notes</i>): | Not Applicable |
| (iii) | Minimum trading size: | The Securities may only be traded in a minimum initial amount of one Security and, thereafter, in multiples of one Security. |
| 7. | Issue Date: | 13 June 2012 |
| 8. | Settlement Date and Redemption Date: | 13 June 2013, subject to adjustment in accordance with the Following Business Day Convention |

PROVISIONS APPLICABLE TO NOTES

Paragraphs 9-21 are intentionally deleted

PROVISIONS APPLICABLE TO WARRANTS

Paragraphs 22-33 are intentionally deleted

PROVISIONS APPLICABLE TO CERTIFICATES

- | | | |
|-----|---|---------------------|
| 34. | Cash Settlement/Physical Settlement: | Cash Settlement |
| 35. | Call Option: | Not Applicable |
| 36. | Put Option: | Not Applicable |
| 37. | Redemption Amount: | See the Annex below |

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

- | | | |
|------|---|--|
| (i) | Reference Asset(s): | The Index (as defined in paragraph 43 below) |
| (ii) | Provisions for determining Redemption Amount where calculated by reference to Share and/or Index and/or Commodity and/or FX Rate and/or other variable: | See the Annex below |

- (iii) Provisions for determining 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 43 and the Annex below
38. **Exercise applicable to Certificates (General Condition 10):** Not Applicable
39. **Minimum Transferable Amount:** Not Applicable

CERTIFICATE COUPON PROVISIONS

40. **Certificate Coupon Provisions (General Condition 8):** Not Applicable
41. **Certificate Floating Rate Coupon Provisions (General Condition 8.3):** Not Applicable

SPECIFIC PRODUCT PROVISIONS APPLICABLE TO THE SECURITIES**SHARE LINKED PROVISIONS**

42. **Share Linked Provisions:** Not Applicable

INDEX LINKED PROVISIONS

43. **Index Linked Provisions:** Applicable
- (i) Single Index or basket of Indices: Single Index
- (ii) Index/Indices: Enhanced Volatility Curve Index (Bloomberg Code: ENHMHCRV <Index>) (the "**Index**"), as more fully described in the Enhanced Volatility Curve Index Rules set out in Part 1 (Enhanced Volatility Curve Index - Index Rules) (the "**Index Rules**") of the Schedule hereto
- (iii) Type of Index: Proprietary Index, provided that:
- (i) in respect of the Index and the Valuation Date, a "Scheduled Trading Day" as defined in Index Linked Provision 7 (Definitions) shall mean an "Index Business Day" (as defined in the Index Rules); and
- (ii) each reference in the Index Linked Provisions to "Closing Index Level" shall be construed as a reference to "Index Level" (as defined in the Index Rules)

(iv)	Exchange(s):	Not Applicable
(v)	Related Exchange(s):	Not Applicable
(vi)	Index Sponsor:	The Index Calculation Agent or, as the context may require, the Index Sponsor, in each case as defined in the Index Rules
(vii)	Index Level:	Not Applicable
(viii)	Initial Valuation Date(s):	Not Applicable
(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):	31 May 2013
(xiii)	Initial Averaging Date(s):	Not Applicable
(xiv)	Averaging Date(s):	Not Applicable
(xv)	Valuation Time:	As specified in Index Linked Provision 7 (<i>Definitions</i>)
(xvi)	Maximum Days of Disruption:	In respect of the 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 the Valuation Date, the second Business Day prior to the Redemption Date, as specified in Index Linked Provision 7 (<i>Definitions</i>)
(xix)	Observation Period:	Not Applicable
(xx)	Change in Law – Increased Cost	Not Applicable
(xxi)	Hedging Disruption:	Not Applicable

COMMODITY LINKED PROVISIONS

44. **Commodity Linked Provisions:** Not Applicable

FX LINKED PROVISIONS

45. **FX Linked Provisions:** Not Applicable

MARKET ACCESS PARTICIPATION PROVISIONS

46. **Market Access Participation Provisions:** Not Applicable

LOW EXERCISE PRICE WARRANT PROVISIONS

47. **Low Exercise Price Warrant Provisions:** Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

48. **New Global Note:** Not Applicable

49. **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? Not Applicable

(iii) Name of Registration Agent Not Applicable

(iv) Representation of Holders of Notes/ Masse: Not Applicable

(v) Regulation S/Rule 144A Warrants: Not Applicable

50. **Record Date:** As set out in the General Conditions

51. **Additional Financial Centre(s) (General Condition 12.2) or other special provisions relating to payment dates:** Not Applicable

52. **Payment Disruption Event (General Condition 13):** Not Applicable

53. **Early Redemption for Tax on Underlying Hedge Transactions (General Condition 17.4)** Not Applicable

54. **Physical Delivery:** Not Applicable

55. **Calculation Agent:** J.P. Morgan Securities Ltd.

56. **Redenomination, renominalisation and reconventioning provisions:** Not Applicable

57. **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
58. **Rounding:** General Condition 21 applies
59. **Other final terms or special conditions:** Applicable – see the Annex below

DISTRIBUTION

60. **If non-syndicated, name and address of Dealer:** J.P. Morgan Securities Ltd. of 125 London Wall, London EC2Y 5AJ
61. **Stabilising Manager(s) (if any):** Not Applicable
- (i) If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable
- (ii) Date of Subscription Agreement: Not Applicable
62. **Total commission and concession:** Not Applicable
63. **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 "Transfer Restrictions– ERISA Legends and ERISA Restrictions – (b) JPMSP/JPMBD/JPMI Standard Restrictions" in the Base Prospectus.

64. **Non-exempt Offer:** Not Applicable
65. **Additional Selling Restrictions:** Not Applicable
66. **Swiss Public Offer:** No

GENERAL

67. The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●] 1 = U.S.\$ [●], producing a sum of (for Notes not denominated in U.S. dollars): Not Applicable

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 with effect from, at the earliest, the Issue 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 Issue Date).

The Issuer has no duty to maintain the listing and admission to trading (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 first three paragraphs of the section of the Base Prospectus entitled "Subscription and Sale", 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 OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|-------|---------------------------|----------------|
| (i) | Reasons for the offer: | Not Applicable |
| (ii) | Estimated net proceeds: | Not Applicable |
| (iii) | Estimated total expenses: | 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 future performance and volatility of the Index may be obtained from Bloomberg®.

The value of the Securities and the Redemption Amount will depend on (i) the Index Level of the Index in respect of the Valuation Date relative to the Initial Index Level of the Index and (ii) the Cash Amount on the Valuation Date. The Cash Amount on the Valuation Date will depend on the Cash USD Index Level in respect of the Valuation Date.

One of the aims of the investment strategy behind the Index is to track the cumulative excess return from synthetic long and variable short exposure to rolling positions in (i) certain futures contracts (the "**VIX Futures Contracts**") in respect of the CBOE Volatility Index (Bloomberg Code: *VIX Index*) (the "**VIX Index**") and (ii) certain futures contracts (the "**VSTOXX Futures Contracts**") and together with the VIX Futures Contracts, the "**Futures Contracts**") in respect of the EURO STOXX 50® Volatility Index (Bloomberg Code: *V2X Index*) (the "**VSTOXX Index**" and, the VSTOXX Index and the VIX Index, each an "**Underlying Index**"). The Index may reference up to five different synthetic positions (each a "**Basket**") in such Futures Contracts. The Baskets are as follows:

- (i) the first and second month VIX Futures Contracts (the "**US Front Basket**");
- (ii) the second, third and fourth month VIX Futures Contracts (the "**US Middle Basket**");

- (iii) the fourth, fifth, sixth and seventh month VIX Futures Contracts (the “**US Back Basket**”);
- (iv) the first, second and third month VSTOXX Futures Contracts (the “**EU Front Basket**”); and
- (v) the fourth, fifth and sixth month VSTOXX Futures Contracts (the “**EU Back Basket**”).

The Index models returns from both the US Component and the EU Component. The US Component is the measure of the performance of the long and short exposure to the VIX Futures Contracts comprising each of the US Front Basket, the US Middle Basket and the US Back Basket. The EU Component is the measure of the performance of the long and short exposure to the VSTOXX Futures Contracts comprising each of the EU Front Basket and the EU Back Basket. The level of the EU Component is converted into U.S. dollars at the exchange rate of USD per EUR 1 as calculated by the European Central Bank and appearing on Bloomberg Page EURUSD F113 (or such successor or alternative page as determined by the Index Calculation Agent).

The Carry Measure for each Basket is set out in paragraph 3 (*Determining the Carry Measure for each Basket*) of Part B (*Index Algorithm*). The Carry Measure, in respect of a Basket, is a measure of the difference in the Daily Contract Reference Prices of the Futures Contracts comprising that Basket. For example, the Carry Measure in respect of the US Front Basket is the difference in the Daily Contract Reference Prices of the first and second month VIX Futures Contracts.

The price of each of the Futures Contracts is affected, in part, by the supply and demand for such Futures Contract in the market. The supply and demand for the Futures Contracts (and consequently their price) are in turn influenced by the level of the relevant Underlying Index, although the price performance of the Futures Contracts may not necessarily correspond to the level the the relevant Underlying Index.

Details of past and future performance and the volatility of the Index may be obtained from Bloomberg® at <http://www.bloomberg.com/quote/ENHMHCRV:IND>. Details of past and future performance and the volatility of the US Component and the EU Component are available on request from the Index Sponsor (as defined in the Index Rules) at Edg_structuring_emea@jpmorgan.com or +44(0)20 7779 2217.

The closing prices of the VIX Futures Contracts are available from the Chicago Board Options Exchange (CBOE) website at <http://www.cboe.com/micro/vix/vixfuturesprices.aspx> and the closing prices of the VSTOXX Futures Contracts are available from the website of EUREX at http://www.eurexchange.com/market/quotes/VOL/FVS_en.html (where the VSTOXX Futures Contracts are referred to as "VSTOXX® Mini Futures").

Capitalised terms used herein shall have the meanings ascribed to them in Part A above or Part C below, as the case may be.

POST-ISSUANCE INFORMATION

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

OPERATIONAL INFORMATION

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

ISIN Code: NL0010067088

Common Code:	079479225
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.

ANNEX

OTHER APPLICABLE TERMS

1. **Redemption Amount on the Redemption Date**

Unless the Securities have previously been redeemed, purchased and/or cancelled in accordance with the Conditions, the Issuer shall redeem each Security on the Redemption Date by payment of the Redemption Amount in respect of each Security, which shall be an amount in the Specified Currency determined by the Calculation Agent in accordance with the following formula:

$$\text{Max (Floor, RA} \times \left(\frac{\text{Final Index Level}}{\text{Initial Index Level}} \right) + \text{Cash Amount)}$$

2. **Cash Amount Calculation**

The Cash Amount (the "**Cash Amount**") shall be an amount in the Specified Currency calculated by the Calculation Agent in accordance with the following formula:

$$\text{RA} \times (\text{CashUSD}_{\text{Final}} - 1)$$

Where:

"**CashUSD_{Final}**" means the Cash USD Index Level in respect of the Valuation Date.

"**Cash USD Index Level**" means, in respect of each Cash Business Day in the Cash USD Calculation Period and the Valuation Date (each a "**Cash Business Day (t)**"), an amount calculated by the Calculation Agent in accordance with the following formula:

$$\text{CashUSD}_{t-1} \times \left(1 + \frac{(\text{Rate}_{t-1}) \times \text{Daycount}_{t-1,t}}{360} \right)$$

Where:

"**Cash Business Day (t-1)**" means, in respect of each Cash Business Day (t) (other than the Cash Business Day (t) falling on the first Cash Business Day in the Cash USD Calculation Period), the Cash Business Day immediately preceding such Cash Business Day (t).

"**CashUSD_{t-1}**" means, in respect of a Cash Business Day (t), the Cash USD Index Level in respect of Cash Business Day (t-1) or, where Cash Business Day (t) is the first Cash Business Day in the Cash USD Calculation Period, one.

"**Cash USD Calculation Period**" means the period from (but excluding) 1 June 2012 to (but excluding) the Valuation Date.

"**Daycount_{t-1,t}**" means, in respect of a Cash Business Day (t), the number of calendar days in the period commencing on (and including) the Cash Business Day (t-1) in respect of such Cash Business Day (t) (or, where Cash Business Day (t) is the first Cash Business Day in the Cash USD Calculation Period, commencing on (and including) 1 June 2012 to, but excluding, such Cash Business Day (t), as determined by the Calculation Agent.

"**Rate_{t-1}**" means, in respect of a Cash Business Day (t), a reference rate equal to the Federal Funds Effective Rate US on the Cash Business Day (t-1) in respect of such Cash Business Day (t) (or, where the Cash Business Day (t) is the first Cash Business Day in the Cash USD Calculation Period, on 1 June 2012) as calculated by the Federal Reserve Bank of New York and appearing on the Bloomberg Screen "FEDL01 Index" Page in respect of that day as determined by the Calculation Agent, provided that, if such rate does not appear on such page in respect of such day, then the Rate_{t-1} in respect of Cash Business Day (t) shall be the Federal Funds Effective Rate US on the Cash Business Day (t-1) as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

3. **Definitions**

"**Cash Business Day**" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City.

"**Final Index Level**" means the Index Level of the Index in respect of the Valuation Date, as determined by the Calculation Agent, and subject to adjustment and/or correction in accordance with the Conditions.

"**Floor**" means USD 1.

"**Index Level**" has the meaning given to it in the Index Rules.

"**Initial Index Level**" means 128.65.

"**Max**" followed by a series of amounts inside brackets, means whichever is the greater of the amounts separated by a comma inside those brackets.

"**RA**" or "**Reference Amount**" means, in respect of each Security, U.S.\$ 1,000.

SCHEDULE

Part 1

ENHANCED VOLATILITY CURVE INDEX – INDEX RULES

Enhanced Volatility Curve Index

Index Rules

J.P.Morgan

8 February 2012 (as amended on 29 May 2012)

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PART A

General Rules

1. This Document

1.1 Introduction

This document comprises the rules of the Enhanced Volatility Curve Index (the “**Index**”), a notional rule-based proprietary index.

1.2 Publication and availability of the Index Rules

The Index Rules are published by J.P. Morgan Securities Ltd. in its capacity as Index Sponsor of the Index.

Copies of the Index Rules may be obtained by holders or potential holders of investments linked to the Index free of charge on request to the Index Sponsor.

1.3 Amendments

The Index Rules may be amended from time to time at the discretion of the Index Sponsor and will be re-published (in a manner determined by the Index Sponsor from time to time) no later than one calendar month following such amendment.

Although the Index Rules are intended to be comprehensive, ambiguities may arise. If so, the Index Sponsor will resolve such ambiguities and, if necessary, amend the Index Rules to reflect such resolution.

1.4 No offer of securities

The Index Rules neither constitute an offer to purchase or sell securities nor specific advice of whatever form (including, without limitation, tax, legal, accounting or regulatory) in respect of any investment strategy or investment that may be linked to the Index.

2. Index is synthetic

The Index is constructed on notional or synthetic exposure to the Futures Contracts referenced in the Index because there is no actual portfolio of Futures Contracts nor assets to which any person is entitled or in which any person has any ownership interest. The Index merely identifies certain Futures Contracts and rules-based trading strategies, the performance of which are used as a reference point for the purposes of calculating the level of the Index.

3. Index Sponsor and Index Calculation Agent

3.1 Identity

J.P. Morgan Securities Ltd. is the sponsor of the Index (the “**Index Sponsor**”). The Index Sponsor is responsible for, among other things, the creation and design of the Index, the documentation of the Index Rules, and the appointment of the calculation agent of the Index (the “**Index Calculation Agent**”), which may be itself, an affiliate, subsidiary or third party. The Index Sponsor may at any time and for any reason terminate the appointment of an Index Calculation Agent and appoint an alternative entity as the replacement Index Calculation Agent.

The Index Calculation Agent is responsible for:

- (a) calculating the Index Level in respect of each Index Business Day in accordance with the Index Rules; and
- (b) determining (subject to prior agreement of the Index Sponsor) if a Market Disruption Event, Disrupted Day, Extraordinary Event (or other similar event) has occurred and the related consequences and adjustments in accordance with the Index Rules.

As of the date of these Index Rules, the Index Sponsor has appointed Markit Equities Limited as the Index Calculation Agent.

3.2 Index Sponsor and Index Calculation Agent standards

The Index Sponsor and the Index Calculation Agent shall act in good faith and in a commercially reasonable manner in respect of determinations made by it pursuant to the Index Rules.

3.3 Index Sponsor and Index Calculation Agent determinations

All determinations and interpretations of the Index Sponsor and the Index Calculation Agent pursuant to the Index Rules shall be final, conclusive and binding and no person shall be entitled to make any claim against the Index Sponsor, the Index Calculation Agent or any of the Relevant Persons in respect thereof. None of the Index Sponsor, the Index Calculation Agent or any Relevant Person shall:

- (a) be under any obligation to revise any determination or calculation made or action taken for any reason in connection with the Index or the Index Rules; or
- (b) have any responsibility to any person (whether as a result of negligence or otherwise) for any determinations made or anything done (or omitted to be determined or done) in respect of the Index, the Index Rules or in respect of the publication of any Index Level (or failure to publish such level) or any use to which any person may put the Index or the Index Levels.

4. Calculation of Index Levels

4.1 Index Base Level and Index Base Date

The Index Base Level and the Index Base Date are specified in Part C: Index Details.

4.2 Publication of Index Levels

Subject to the occurrence of a Market Disruption Event, the Index Calculation Agent shall calculate and publish (in a manner determined by the Index Calculation Agent from time to time) the level of the Index (the “**Index Level**”) in respect of each Index Business Day. All Index Levels are rounded to 2 decimal places before being published and calculated in the Currency of the Index.

5. Corrections in respect of the Index

If, in respect of the Index:

- (a) the level or price of any Futures Contract, any Base Index, variable, input or other matter which is used for any calculation relevant to the Index Level for any Index Business Day is subsequently corrected and the correction is published by the Relevant Exchange or relevant publication source; or
- (b) the Index Calculation Agent identifies an error or omission in any of its calculations or determinations in respect of the Index Level for any Index Business Day,

then, the Index Calculation Agent may, if practicable and it considers such correction material, adjust or correct the published Index Level for such day and/or each subsequent Index Business Day and publish (in such manner determined by the Index Calculation Agent) such corrected Index Level(s) as soon as reasonably practicable.

6. Extraordinary Events – Futures Contract

6.1 Successor Futures Contract

If, in respect of the Index, any Futures Contract is:

- (a) not calculated and quoted by the Relevant Exchange but is calculated and quoted by a successor exchange acceptable to the Index Calculation Agent; or
- (b) replaced by a successor futures contract using, in the determination of the Index Calculation Agent, the same or substantially similar formula and method of calculation as used in the calculation of the relevant Futures Contract,

then in each case that successor futures contract (the “**Successor Futures Contract**”) shall replace the relevant Futures Contract with effect from a date determined by the Index Calculation Agent who may make such adjustment to the Index Rules, as it determines in good faith is appropriate, to account for such change.

6.2 Material change to Futures Contracts, cancellation or non-publication

Without prejudice to the ability of the Index Calculation Agent to amend the Index Rules (see section 1), if, at any time in respect of any Futures Contract (the “**Affected Contract**”):

- (a) the Index Calculation Agent considers it reasonably necessary to exclude or substitute the Affected Contract to reflect the purpose and objectives of the Index, including (without prejudice to the generality of the foregoing) changes announced by the Relevant Exchange relating to the modification, exclusion, inclusion or substitution of any Futures Contracts; or
- (b) there is a perception among market participants generally that the published price of the relevant Affected Contract is inaccurate (and the Relevant Exchange fails to correct such level); or
- (c) any Relevant Exchange:
 - (i) announces that it will make a material change to the definition of any Futures Contract or in any other way materially modifies such contract (other than a modification prescribed in the definition of such contract); or
 - (ii) permanently cancels any Futures Contract and no Successor Futures Contract exists or is otherwise unable or unwilling to publish a level of the Futures Contract; or
- (d) the Index Calculation Agent determines that a Change in Law has occurred in respect of a Futures Contract,

then the Index Calculation Agent may exclude or substitute the Affected Contract from the Index and may adjust the Index Rules as it determines in good faith to be appropriate to account for such change(s) (including, without limitation, selecting (a) a replacement futures contract traded on the Relevant Exchange or an equivalent exchange and having similar characteristics to the Affected Contract; and (b) the date of such replacement) on such date(s) as selected by the Index Calculation Agent or cease publication of the Index.

7. Extraordinary Events – Base Index

7.1 Successor Base Index

If, in respect of the Index, a Base Index (the “**Affected Base Index**”) is:

- (a) not calculated and quoted by the applicable sponsor but by a successor sponsor acceptable to the Index Calculation Agent; or
- (b) replaced by a successor index using, in the determination of the Index Calculation Agent, the same or substantially similar formula and method of calculation as used in the calculation of the Affected Base Index,

then in each case that successor base index (the “**Successor Base Index**”) shall replace the Affected Base Index with effect from a date determined by the Index Calculation Agent who may make such adjustment to the Index Rules, as it determines in good faith is appropriate, to account for such change.

7.2 Material change to a Base Index, cancellation or non-publication

Without prejudice to the ability of the Index Calculation Agent to amend the Index Rules (see section 1), if, at any time in respect of a Base Index (the “**Affected Base Index**”):

- (a) the Index Calculation Agent considers it reasonably necessary to exclude or substitute the Affected Base Index to reflect the purpose and objectives of the Index, including (without prejudice to the generality of the foregoing) changes announced by the sponsor of the Affected Base Index relating to the modification, exclusion, inclusion or substitution of a component of an Affected Base Index; or
- (b) there is a perception among market participants generally that the published level of the Affected Base Index is inaccurate (and the sponsor of the Affected Base Index fails to correct such level); or
- (c) the sponsor of any Affected Base Index:
 - (i) announces that it will make a material change in the formula for or the method of calculating the Affected Base Index or in any other way materially modifies the

Affected Base Index (other than a modification prescribed in the formula or method to maintain the Affected Base Index in the event of changes in constituent stock and capitalization and other routine events); or

- (ii) permanently cancels the Affected Base Index and no Successor Base Index exists or is otherwise unable or unwilling to publish a level of the Affected Base Index,

then the Index Calculation Agent may exclude or substitute the Affected Base Index from the Index and may adjust the Index Rules as it determines in good faith to be appropriate to account for such change(s) (including, without limitation, selecting (a) a replacement base index on the Relevant Exchange or an equivalent exchange and having similar characteristics to the Affected Base Index; and (b) the date of such replacement) on such date(s) as selected by the Index Calculation Agent or cease publication of the Affected Base Index.

7.3 Cancellation of licence or permission

If in respect of the Index, at any time, any licence granted (if required) to the Index Sponsor, the Index Calculation Agent (or any of their affiliates) to use any Base Index or other component (“**Affected Component**”) for the purposes of the Index terminates, or the rights of the Index Sponsor, the Index Calculation Agent (or any of their affiliates) to use an Affected Component for the purpose of the Index is otherwise disputed, impaired or ceases (for any reason), the Index Calculation Agent may remove such Affected Component from the Index and may adjust the Index Rules as it determines in good faith to be appropriate to account for such change(s) including, without limitation, selecting (a) a replacement base index or other underlying component having similar characteristics to the Affected Component; and (b) the date of such replacement) on such dates as selected by the Index Calculation Agent or cease publication of the Index.

8. Definitions

In respect of the Index, the capitalised terms defined below have the following meanings in the Index Rules:

“**Baskets**” means the US Baskets and the EU Baskets.

“**Base Index**” means the US Base Index and the EU Base Index (as the case may be).

“**Carry Measure**” in respect of each Basket, has the meaning given to it in section 3 of Part B: Index Algorithm.

“**Change in Law**” means, on or after the Index Base Date, due to the adoption of, or any change in, any applicable law, regulation or rule (including, without limitation, any tax law) or the promulgation of, or any change in, the interpretation, application, exercise or operation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law, rule, regulation or order (including, without limitation, any action taking by a taxing authority, or any exchange or trading facility), the Index Calculation Agent determines in good faith that it has become illegal to hold, acquire or dispose of any Futures Contracts.

“**Component**” means the EU Component or the US Component (as the case may be).

“**Closing Price**” means, in respect of a Futures Contract and a Rebalancing Date, the official settlement price (howsoever described in the rules of the Relevant Exchange) of the Futures Contract published by the Relevant Exchange.

“**Currency of Component**” means the currency of the Component as specified in Part C: Index Details.

“**Currency of the Index**” means the currency of the Index as specified in Part C: Index Details.

“**Daily Contract Reference Price**” unless otherwise specified in the Index Rules, means, in respect of a Futures Contract and a Rebalancing Date, the Closing Price of the Futures Contract on that Rebalancing Date.

“**Disrupted Day**” means, in respect of a Rebalancing Date or an Index Business Day (as the case may be), the occurrence or existence of a Market Disruption Event in respect of a Futures Contract and/or a Base Index.

“**Early Closure**” means, the closure on any Rebalancing Date or an Index Business Day (as the case may be) of the Relevant Exchange prior to its scheduled closing time unless such earlier closing time

is announced by such exchange(s) at least one hour prior to the actual closing time for the regular trading session on such exchange(s) on such day.

“**EU Base Date**” has the meaning given to it in Part C: Index Details.

“**EU Base Index**” has the meaning given to it in Part C: Index Details.

“**EU Base Index Level**” means in respect of an EU Rebalancing Date or an Index Business Day, the official closing level of the EU Base Index published by the sponsor of the EU Base Index in respect of such day.

“**EU Basket(s)**” means the EU Front Basket and the EU Back Basket (as the case may be), as further described in Part B: Index Algorithm.

“**EU Component**” is the measure of the performance of the long and short exposure to the EU Futures Contracts referenced in the EU Baskets, as described in Part B: the Index Algorithm.

“**EU Rebalancing Date**” has the meaning given to it in Part C: Index Details.

“**EU Rebalancing Period**” has the meaning given to it in section 2.2 of Part B: Index Algorithm.

“**EU Rebalancing Settlement Date**” has the meaning given to it in Part C: Index Details.

“**Exchange Disruption**” means, any event (other than an Early Closure) that disrupts or impairs (as determined by the Index Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, futures (including, without limitation, the Futures Contracts) or options contracts relating to a Base Index on any Relevant Exchange.

“**Final Settlement Value**” in respect of a Futures Contract and a Rebalancing Settlement Date, the final settlement value (howsoever described in the rules of the Relevant Exchange) for the Futures Contract as published by the Relevant Exchange.

“**Futures Contract**” means the US Futures Contracts and the EU Futures Contracts (as the case may be), as further described in section 2.1 of Part B: Index Algorithm. Each Futures Contract is identified by a Contract Letter, which applies to the Futures Contract to and including the Rebalancing Settlement Date on which the Futures Contract expires.

“**Index**” means the Enhanced Volatility Curve Index.

“**Index Base Date**” means the base date for the Index as specified in Part C: Index Details.

“**Index Base Level**” means the level of the Index on the Index Base Date as specified in Part C: Index Details.

“**Index Business Day**” means the meaning given to it in Part C: Index Details.

“**Index Calculation Agent**” has the meaning given to it in section 3.1 of Part A: General Rules.

“**Index Level**” has the meaning given in section 4.2 of Part A: General Rules.

“**Index Sponsor**” has the meaning given to it in section 3.1 of Part A: General Rules.

“**Index Rules**” means this document, comprising the various Parts.

“**Market Disruption Event**” means, in respect of:

- (a) a Futures Contract:
 - (i) a failure by the Relevant Exchange to publish the Closing Price for the Futures Contract on a Rebalancing Date or the Final Settlement Value on a Rebalancing Settlement Date (as the case may be); or
 - (ii) any event that, in the determination of the Index Calculation Agent, disrupts or impairs the ability of market participants generally to effect transactions in or obtain market values for such Futures Contract on a Rebalancing Date, a Rebalancing Settlement Date or an Index Business Day. Such events may include, but are not limited to, the occurrence of any of a Trading Disruption, Exchange Disruption or Early Closure; or
- (b) a Base Index, a failure by the sponsor for the Base Index to calculate and publish the level for the Base Index on a Rebalancing Date, a Rebalancing Settlement Date or an Index Business Day.

“Part” means each Part of this document.

“Rebalancing Date” means a US Rebalancing Date or an EU Rebalancing Date (as the case may be).

“Rebalancing Period” means a US Rebalancing Period or an EU Rebalancing Period (as the case may be).

“Rebalancing Settlement Date” means a US Rebalancing Settlement Date or an EU Rebalancing Settlement Date (as the case may be).

“Relevant Exchange” in respect of a Futures Contract and a Base Index, the relevant exchange or quotation system specified in Part C: Index Details.

“Relevant Persons” means any affiliate or subsidiary of the Index Sponsor or the Index Calculation Agent or their respective directors, officers, employees, representatives, delegates or agents.

“Roll Return” in respect of each Basket, has the meaning given to it in section 4 of Part B: Index Algorithm.

“Trading Disruption” means any suspension of or limitation imposed on trading by the Relevant Exchange or otherwise and whether by reason of movements in a price exceeding limits permitted by the Relevant Exchange or otherwise in futures (including, without limitation, the Futures Contracts) or options contracts relating to a Base Index on any Relevant Exchange.

“US Component” is the measure of the performance of the long and short exposure to the US Futures Contracts referenced in the US Baskets, as described in Part B: the Index Algorithm.

“US Base Date” has the meaning given to it in Part C: Index Details.

“US Base Index” has the meaning given to it in Part C: Index Details.

“US Base Index Level” means in respect of a US Rebalancing Date or an Index Business Day, the official closing level of the US Base Index published by the sponsor of the US Base Index in respect of such day.

“US Basket(s)” means the US Front Basket, the US Middle Basket and the US Back Basket (as the case may be), as further described in Part B: Index Algorithm.

“US Rebalancing Date” has the meaning given to it in Part C: Index Details.

“US Rebalancing Period” has the meaning given to it in section 2.2 of Part B: Index Algorithm.

“US Rebalancing Settlement Date” has the meaning given to it in Part C: Index Details.

Notices, Disclaimers and Conflicts

The Index Rules have been developed with the possibility of the Index Sponsor, the Index Calculation Agent or any of the Relevant Persons entering into or promoting, offering or selling transactions or investments (structured or otherwise) linked to the Index and the hedging of such transactions or investments in any manner that they see fit.

No one may reproduce or disseminate the information contained in this document or the Index Level without the prior written consent of the Index Sponsor. This document is not intended for distribution to, or use by any person in, a jurisdiction where such distribution is prohibited by law or regulation.

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THIS DOCUMENT IS IMPORTANT. YOU SHOULD NOT INVEST IN A PRODUCT LINKED TO THE INDEX UNLESS YOU HAVE ENSURED THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT AND THE RISKS INVOLVED AND ARE SATISFIED THAT THE INVESTMENT IS SUITED TO YOUR CIRCUMSTANCES AND OBJECTIVES. IF YOU ARE IN ANY DOUBT ABOUT THIS YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISER. UNLESS YOU ARE A HIGHLY SOPHISTICATED INVESTOR WHO REGULARLY TRANSACTS IN PRODUCTS LINKED TO INDICES OF THIS TYPE YOU ARE STRONGLY ADVISED TO TAKE SUCH ADVICE IN ANY EVENT.

Part B

Index Algorithm

1. Introduction

The Index tracks the cumulative excess return from synthetic long and variable short exposure to rolling positions in certain Futures Contracts (less certain deductions as set out below). The Index may reference up to five different synthetic rolling positions (or “**Baskets**”) in Futures Contracts on either the US Base Index or the EU Base Index.

The five different rolling positions are:

- (a) the first and second month US Futures Contracts (the “**US Front Basket**”);
- (b) the second, third and fourth month US Futures Contracts (the “**US Middle Basket**”);
- (c) the fourth, fifth, sixth and seventh month US Futures Contracts (the “**US Back Basket**”);
- (d) the first, second and third month EU Futures Contracts (the “**EU Front Basket**”); and
- (e) the fourth, fifth and sixth month EU Futures Contracts (the “**EU Back Basket**”).

Subject to the occurrence of a Market Disruption Event, the Index Calculation Agent will determine the Index Level for each Index Business Day by implementing the steps described below.

2. Futures Contracts, Rebalancing Dates and Rebalancing Settlement Dates

2.1 Futures Contracts

The Futures Contracts referenced in the Index reference either the US Base Index (the “**US Futures Contracts**”) or the EU Base Index (the “**EU Futures Contracts**”). The table below sets out information about the Futures Contracts in respect of both Base Indices, together with the “**Contract Letter**”, and “**Settlement Month**” applicable to each contract.

Each Futures Contract expires on the applicable Rebalancing Settlement Date occurring in the Settlement Month specified in the table. For example, the Settlement Month for the Futures Contract with the Contract Letter “J” is April.

Each row in the table provides the applicable Contract Letter for each Futures Contract (i = 1, 2, 3, 4, 5, 6, 7) by reference to the month in which the relevant Rebalancing Period ends. For example, the Contract Letter for Futures Contract (i = 4) for the Rebalancing Period ending in June is “U”.

In the table below, references to Futures Contract(s) (i=1, 2, 3, 4, 5, 6, 7) are to the futures contract(s) by reference to the month in which the relevant Rebalancing Period ends. For example, Futures Contract (i=1) means the Futures Contract expiring at the end of the current Rebalancing Period and Futures Contract (i=2) means the Futures Contract expiring at the end of the Rebalancing Period immediately following the current Rebalancing Period.

In respect of a Rebalancing Period, the number applicable to the Futures Contract (i.e. i=1, 2, 3, 4, 5, 6, 7) applies to such Futures Contract up to, but excluding the Rebalancing Settlement Date which occurs at the end of that Rebalancing Period.

Table: Futures Contracts

Futures Contract[s]	The month in which the Rebalancing Period ends											
	January	February	March	April	May	June	July	August	September	October	November	December
Futures Contract (i=1)	F	G	H	J	K	M	N	Q	U	V	X	Z
Futures Contract (i=2)	G	H	J	K	M	N	Q	U	V	X	Z	F
Futures Contract (i=3)	H	J	K	M	N	Q	U	V	X	Z	F	G
Futures Contract (i=4)	J	K	M	N	Q	U	V	X	Z	F	G	H

Futures Contract (i=5)	K	M	N	Q	U	V	X	Z	F	G	H	J
Futures Contract (i=6)	M	N	Q	U	V	X	Z	F	G	H	J	K
Futures Contract (i=7)	N	Q	U	V	X	Z	F	G	H	J	K	M

Contract Letter	F	G	H	J	K	M	N	Q	U	V	X	Z
Settlement Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

2.2 Rebalancing Dates and Rebalancing Settlement Date

The US Futures Contracts referenced in the US Baskets are rebalanced on each US Rebalancing Date from, and including, one US Rebalancing Settlement Date to, but excluding, the next US Rebalancing Settlement Date (each such period, a “**US Rebalancing Period**”). The initial US Rebalancing Period commenced on, and included, the US Base Date.

The EU Futures Contracts referenced in the EU Baskets are rebalanced on each EU Rebalancing Date from, and including, one EU Rebalancing Settlement Date to, but excluding, the next EU Rebalancing Settlement Date (each such period, an “**EU Rebalancing Period**”). The initial Rebalancing Period commenced on, and included, the EU Base Date.

3. Determining the Carry Measure for each Basket

3.1 The US Baskets

On each US Rebalancing Date, the Index Calculation Agent shall determine:

- (a) the Carry Measure for the US Front Basket (**CM_1(t)_US**) as follows:

$$CM_1(t)_US = US_DCRP(2,t)/US_DCRP(1,t)$$

- (b) the Carry Measure for the US Middle Basket (**CM_2(t)_US**) as follows:

$$CM_2(t)_US = (US_DCRP(4,t)/US_DCRP(3,t)+US_DCRP(3,t)/US_DCRP(2,t))/2$$

- (c) the Carry Measure for the US Back Basket (**CM_3(t)_US**) as follows :

$$CM_3(t)_US = (US_DCRP(7,t)/US_DCRP(6,t)+US_DCRP(6,t)/US_DCRP(5,t)+US_DCRP(5,t)/US_DCRP(4,t))/3$$

Where:

US_DCRP (i, t) means the Daily Contract Reference Price of the applicable US Futures Contract (where i = 1 to 7) in the applicable US Basket on US Rebalancing Date(t).

If US Rebalancing Date(t) is a Disrupted Day in respect of a US Futures Contract (the “**Disrupted Contract**”), then US_DCRP (i, t) shall mean the Daily Contract Reference Price of the Disrupted Contract for the immediately preceding US Rebalancing Date that is not a Disrupted Day.

3.2 The EU Baskets

On each EU Rebalancing Date, the Index Calculation Agent shall determine:

- (a) the Carry Measure for the EU Front Basket (**CM_1(t)_EU**) as follows:

$$CM_1(t)_EU = (EU_DCRP(3,t)/EU_DCRP(2,t)+EU_DCRP(2,t)/EU_DCRP(1,t))/2$$

- (b) the Carry Measure for the EU Back Basket (**CM_2(t)_EU**) as follows:

$$CM_2(t)_EU = (EU_DCRP(6,t)/EU_DCRP(5,t)+EU_DCRP(5,t)/EU_DCRP(4,t))/2$$

Where:

EU_DCRP (i, t) means the Daily Contract Reference Price of the applicable EU Futures Contract in the applicable EU Basket on EU Rebalancing Date(t).

If EU Rebalancing Date(t) is a Disrupted Day in respect of an EU Futures Contract (the “**Disrupted Contract**”), then EU_DCRP (i, t) shall mean the Daily Contract Reference Price of the Disrupted Contract(s) for the immediately preceding EU Rebalancing Date that is not a Disrupted Day.

4. Determining the Roll Returns for each Basket

4.1 The US Baskets

If US Rebalancing Date(t) is a US Rebalancing Settlement Date, then the Index Calculation Agent shall determine:

- (a) the Roll Return for the US Front Basket (“**RR_1(t)_US**”) as follows:

$$RR_1(t)_US = US_DCRP(1,t)/US_DCRP(2,t-1) - 1$$

- (b) the Roll Return for the US Middle Basket (“**RR_2(t)_US**”) as follows:

$$RR_2(t)_US = ((US_DCRP(3,t)+US_DCRP(2,t))/(US_DCRP(4,t-1)+US_DCRP(3,t-1))) - 1$$

- (c) the Roll Return for the US Back Basket (“**RR_3(t)_US**”) as follows:

$$RR_3(t)_US = (US_DCRP(6,t)+US_DCRP(5,t)+US_DCRP(4,t))/(US_DCRP(7,t-1)+US_DCRP(6,t-1)+US_DCRP(5,t-1)) - 1$$

If US Rebalancing Date(t) is not a US Rebalancing Settlement Date, then the Index Calculation Agent shall determine:

- (d) the Roll Return for the US Front Basket (“**RR_1(t)_US**”) as follows:

$$RR_1(t)_US = (US_CRW(1,t-1)*US_DCRP(1,t) + US_CRW(2,t-1)*US_DCRP(2,t)) / (US_CRW(1,t-1)*US_DCRP(1,t-1) + US_CRW(2,t-1)*US_DCRP(2,t-1)) - 1$$

- (e) the Roll Return for the US Middle Basket (“**RR_2(t)_US**”) as follows:

$$RR_2(t)_US = (US_CRW(1,t-1)*US_DCRP(2,t) + US_DCRP(3,t) + US_CRW(2,t-1)*US_DCRP(4,t)) / (US_CRW(1,t-1)*US_DCRP(2,t-1) + US_DCRP(3,t-1) + US_CRW(2,t-1)*US_DCRP(4,t-1)) - 1$$

- (f) the Roll Return for the US Back Basket (“**RR_3(t)_US**”) as follows:

$$RR_3(t)_US = (US_CRW(1,t-1)*US_DCRP(4,t) + US_DCRP(5,t) + US_DCRP(6,t) + US_CRW(2,t-1)*US_DCRP(7,t)) / (US_CRW(1,t-1)*US_DCRP(4,t-1) + US_DCRP(5,t-1) + US_DCRP(6,t-1) + US_CRW(2,t-1)*US_DCRP(7,t-1)) - 1$$

Where:

US_DCRP (i, t) means the Daily Contract Reference Price of the applicable US Futures Contract on US Rebalancing Date(t).

If US Rebalancing Date(t) or (t-1) is a Disrupted Day in respect of a US Futures Contract (the “**Disrupted Contract**”), then the Index Calculation Agent shall determine its good faith estimate of US_DCRP (i, t) or (i, t-1) (as the case may be) on such day.

US_CRW (1, p) = dr_us / dp_us

US_CRW (2, p) = (dp_us - dr_us) / dp_us

The reference above to “**p**” is to the relevant US Rebalancing Date, in other words to US Rebalancing Date “**t**” or “**t-1**” (as the case may be).

If US Rebalancing Date(p) is a Disrupted Day in respect of a US Futures Contract (the “**Disrupted Contract**”), then the Index Calculation Agent shall determine its good faith estimate of **US_CRW (1, p)** or **US_CRW (2, p)** (as the case may be) on such day.

dp_us is the total number of US Rebalancing Dates in the US Rebalancing Period in which the US Rebalancing Date (p) falls (irrespective of whether any such day is a Disrupted Day).

dr_us is the total number of US Rebalancing Dates from, and excluding, the US Rebalancing Date (p) to, but excluding, the next US Rebalancing Settlement Date (irrespective of whether any such day is a Disrupted Day).

4.2 The EU Baskets

If EU Rebalancing Date(t) is an EU Rebalancing Settlement Date, then the Index Calculation Agent shall determine:

- (a) the Roll Return for the EU Front Basket (“**RR_1(t)_EU**”) as follows:

$$RR_1(t)_EU = ((EU_DCRP(1,t) + EU_DCRP(2,t)) / (EU_DCRP(3,t-1) + EU_DCRP(2,t-1))) - 1$$

- (b) the Roll Return for the EU Back Basket (“**RR_2(t)_EU**”) as follows:

$$RR_2(t)_EU = (EU_DCRP(4,t) + EU_DCRP(5,t)) / (EU_DCRP(5,t-1) + EU_DCRP(6,t-1)) - 1$$

If EU Rebalancing Date(t) is not an EU Rebalancing Settlement Date, then the Index Calculation Agent shall determine:

- (c) the Roll Return for the EU Front Basket (“**RR_1(t)_EU**”) as follows:

$$RR_1(t)_EU = \frac{(EU_CRW(1,t-1) * EU_DCRP(1,t) + EU_DCRP(2,t) + EU_CRW(2,t-1) * EU_DCRP(3,t))}{(EU_CRW(1,t-1) * EU_DCRP(1,t-1) + EU_DCRP(2,t-1) + EU_CRW(2,t-1) * EU_DCRP(3,t-1))} - 1$$

- (d) the Roll Return for the EU Back Basket (“**RR_2(t)_EU**”) as follows:

$$RR_2(t)_EU = \frac{(EU_CRW(1,t-1) * EU_DCRP(4,t) + EU_DCRP(5,t) + EU_CRW(2,t-1) * EU_DCRP(6,t))}{(EU_CRW(1,t-1) * EU_DCRP(4,t-1) + EU_DCRP(5,t-1) + EU_CRW(2,t-1) * EU_DCRP(6,t-1))} - 1$$

Where:

EU_DCRP (i, t) means the Daily Contract Reference Price of the applicable EU Futures Contract on EU Rebalancing Date(t).

If EU Rebalancing Date(t) or (t-1) is a Disrupted Day in respect of an EU Futures Contract (the “**Disrupted Contract**”), then the Index Calculation Agent shall determine its good faith estimate of EU_DCRP (i, t) or (t-1) on such day.

$$EU_CRW(1, p) = dr_eu / dp_eu$$

$$EU_CRW(2, p) = (dp_eu - dr_eu) / dp_eu$$

The reference above to “**p**” is to the relevant EU Rebalancing Date, in other words to EU Rebalancing Date “**t**” or “**t-1**” (as the case may be).

If EU Rebalancing Date(p) is a Disrupted Day in respect of an EU Futures Contract (the “**Disrupted Contract**”), then the Index Calculation Agent shall determine its good faith estimate of **EU_CRW (1, p)** or **EU_CRW (2, p)** (as the case may be) on such day.

dp_eu is the total number of EU Rebalancing Dates in the EU Rebalancing Period in which the EU Rebalancing Date (p) falls (irrespective of whether any such day is a Disrupted Day).

dr_eu is the total number of EU Rebalancing Dates from, and excluding, the EU Rebalancing Date (p) to, but excluding, the next EU Rebalancing Settlement Date (irrespective of whether any such day is a Disrupted Day).

5. Determining the Daily Position Adjustments

5.1 The US Baskets

Subject to section 5.3 below, on each Index Business Day and irrespective of whether such day is a Disrupted Day, the Index Calculation Agent shall determine the long and short Daily Position Adjustments for each US Basket as follows:

- (a) the long Daily Position Adjustment for the US Front Basket (“**US_PA_Long(t, 1)**”) is determined as follows:

$$US_PA_Long(t, 1) = 1 \text{ if } CM_1(t)_US \text{ is the lowest number in the following set } (CM_1(t)_US, CM_2(t)_US, CM_3(t)_US, CM_1(t)_EU, CM_2(t)_EU)$$

- (b) the short Daily Position Adjustment for the US Front Basket (“**US_PA_Short(t, 1)**”) is determined as follows:

$US_PA_Short(t, 1) = 1$ if $CM_1(t)_US$ is the highest number in the following set ($CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$)

- (c) the long Daily Position Adjustment for the US Middle Basket (“**US_PA_Long(t, 2)**”) is determined as follows:

$US_PA_Long(t, 2) = 1$ if $CM_2(t)_US$ is the lowest number in the following set ($CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$)

- (d) the short Daily Position Adjustment for the US Middle Basket (“**US_PA_Short(t, 2)**”) is determined as follows:

$US_PA_Short(t, 2) = 1$ if $CM_2(t)_US$ is the highest number in the following set ($CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$)

- (e) the long Daily Position Adjustment for the US Back Basket (“**US_PA_Long(t, 3)**”) is determined as follows:

$US_PA_Long(t, 3) = 1$ if $CM_3(t)_US$ is the lowest number in the following set ($CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$)

- (f) the short Daily Position Adjustment for the US Back Basket (“**US_PA_Short(t, 3)**”) is determined as follows:

$US_PA_Short(t, 3) = 1$ if $CM_3(t)_US$ is highest number in the following set ($CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$)

In all other circumstances, the Daily Position Adjustment assigned to the applicable US Basket will be zero.

5.2 The EU Baskets

Subject to section 5.3 below, on each Index Business Day and irrespective of whether such day is a Disrupted Day, the Index Calculation Agent shall determine the long and short Daily Position Adjustments for each EU Basket as follows:

- (a) the long Daily Position Adjustment for the EU Front Basket (“**EU_PA_Long(t, 1)**”) is determined as follows:

$EU_PA_Long(t, 1) = 1$ if $CM_1(t)_EU$ is the lowest number in the following set ($CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$)

- (b) the short Daily Position Adjustment for the EU Front Basket (“**EU_PA_Short(t, 1)**”) is determined as follows:

$EU_PA_Short(t, 1) = 1$ if $CM_1(t)_EU$ is the highest number in the following set ($CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$)

- (c) the long Daily Position Adjustment for the EU Back Basket (“**EU_PA_Long(t, 2)**”) is determined as follows:

$EU_PA_Long(t, 2) = 1$ if $CM_2(t)_EU$ is the lowest number in the following set ($CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$)

- (d) the short Daily Position Adjustment for the EU Back Basket (“**EU_PA_Short(t, 2)**”) is determined as follows:

$EU_PA_Short(t, 2) = 1$ if $CM_2(t)_EU$ is the highest number in the following set ($CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$)

In all other circumstances, the Daily Position Adjustment assigned to the applicable EU Basket will be zero.

5.3 What happens if two or more Baskets have equal lowest or highest Carry Measures?

- (a) If, on an Index Business Day, two or more Baskets have the equal lowest Carry Measure, then the Index Calculation Agent will assign the long Daily Position Adjustment of “1” to the Basket with the joint lowest Carry Measure that is the first to appear in the following set: $CM_1(t)_US$, $CM_2(t)_US$, $CM_3(t)_US$, $CM_1(t)_EU$, $CM_2(t)_EU$

For example, if the Carry Measures for the US Back Basket (CM_3(t)_US) and the EU Back Basket (CM_2(t)_EU) are the same, then the long Daily Position Adjustment of 1, will be assigned to the US Back Basket as it is the first Basket to appear in the above set.

- (b) If, on an Index Business Day, two or more Baskets have the equal highest Carry Measure, then the Index Calculation Agent will assign the short Daily Position Adjustment of "1" to the Basket with the joint highest Carry Measure that is first to appear in the following set: CM_1(t)_US, CM_2(t)_US, CM_3(t)_US, CM_1(t)_EU, CM_2(t)_EU

For example, if the Carry Measures for the US Middle Basket (CM_2(t)_US) and the EU Front Basket (CM_1(t)_EU) are the same, then the long Daily Position Adjustment of 1, will be assigned to the US Back Basket as it is the first Basket to appear in the above set.

6. Determining the Short Signal

6.1 The US Baskets

On each US Rebalancing Date(t), the Index Calculation Agent shall determine the short signal applicable to the US Baskets ("US_I(t)") within the Index by comparing the Daily Contract Reference Price of the first and second month US Futures Contracts on the applicable dates as follows:

- (a) if, in respect of all US Rebalancing Dates (t-j) the US Base Index Level in respect of each US Rebalancing Date (t-j) is greater than or equal to an amount calculated as follows:

$$(US_DCRP(1, t - j) + US_DCRP(2, t - j))/2$$

then, $US_I(t) = \text{MAX}[0, US_I(t-1)-20\%]$,

- (b) if, in respect of all US Rebalancing Dates (t-j) the US Base Index Level in respect of each US Rebalancing Date (t-j) is less than an amount calculated as follows:

$$(US_DCRP(1, t - j) + US_DCRP(2, t - j))/2$$

then, $US_I(t) = \text{MIN}[1, US_I(t-1)+20\%]$, and

- (c) if in respect of US Rebalancing Dates t-1, the conditions in (a) and (b) above have not been satisfied then,

$$US_I(t)=US_I(t-1).$$

- (d) if any of US Rebalancing Date(t-1), US Rebalancing Date(t-2) and US Rebalancing Date(t-3) is a Disrupted Day then,

$$US_I(t)=US_I(t-1).$$

- (e) However, if none of US Rebalancing Date(t-1), US Rebalancing Date(t-2) or US Rebalancing Date(t-3) is a Disrupted Day, but US_Rebalancing_Date(t) is a Disrupted Day, then the Index Calculation Agent shall determine its good faith estimate of US_I(t) on such day provided that such estimated value must be a value between the value of US_I(t-1) and the value of US_I(t) that would have applied if US Rebalancing Date(t) was not a Disrupted Day.

Where:

US Rebalancing Date t-j (where j = 1, 2, 3) means each of the three US Rebalancing Dates, , occurring immediately before US Rebalancing Date(t).

US_DCRP (i, t - j) means the Daily Contract Reference Price of the applicable US Futures Contract on US Rebalancing Date(t-j). On each US Rebalancing Day (t-j), the US Futures Contract that is identified as the first month US Futures Contract (ie US_DCRP (i =1) or the second month US Futures Contract (ie US_DCRP (i =2) for the purposes of the above calculation will be determined by reference to which US Futures Contract is either the first month or second month (as the case may be) US Futures Contract on such day.

US Rebalancing Date (t-1) means the US Rebalancing Date immediately preceding US Rebalancing Date(t).

6.2 The EU Baskets

On each EU Rebalancing Date(t), the Index Calculation Agent shall determine the short signal applicable to the EU Baskets ("EU_I(t)") within the Index by comparing the Daily Contract Reference Price of the first and second month EU Futures Contracts on the applicable dates as follows:

- (a) if, in respect of all EU Rebalancing Dates (t-j) the EU Base Index Level in respect of each EU Rebalancing Date (t-j) is greater than or equal to an amount calculated as follows:

$$(EU_DCRP(1, t - j) + EU_DCRP(2, t - j) + EU_DCRP(3, t - j))/3$$
then, $EU_I(t) = \text{MAX}[0, EU_I(t-1)-20\%]$,
- (b) if, in respect of all EU Rebalancing Dates (t-j) the EU Base Index Level in respect of each EU Rebalancing Date (t-j) is less than an amount calculated as follows:

$$(EU_DCRP(1, t - j) + EU_DCRP(2, t - j) + EU_DCRP(3, t - j))/3$$
then, $EU_I(t) = \text{MIN}[1, EU_I(t-1)+20\%]$, and
- (c) if, in respect of EU Rebalancing Dates t-1, the conditions in (a) and (b) have not been satisfied:
then, $EU_I(t)=EU_I(t-1)$.
- (d) if any of EU Rebalancing Date(t-1), EU Rebalancing Date(t-2) or EU Rebalancing Date(t-3) is a Disrupted Day, then,
 $EU_I(t)=EU_I(t-1)$.
- (e) However, if none of EU Rebalancing Date(t-1), EU Rebalancing Date(t-2) or EU Rebalancing Date(t-3) is a Disrupted Day, but EU_Rebalancing_Date(t) is a Disrupted Day, then the Index Calculation Agent shall determine its good faith estimate of EU_I(t) on such day provided that such estimated value must be a value between the value of EU_I(t-1) and the value of EU_I(t) that would have applied if EU Rebalancing Date(t) was not a Disrupted Day.

Where:

EU Rebalancing Date t-j (where j = 1, 2, 3) means each of the three EU Rebalancing Dates, occurring immediately before EU Rebalancing Date(t).

EU_DCRP (1, t - j) means the Daily Contract Reference Price of the applicable EU Futures Contract on EU Rebalancing Date(t-j). On an EU Rebalancing Day (t-j), the EU Futures Contract that is identified as the first month EU Futures Contract (ie EU_DCRP (i =1) or the second month EU Futures Contract (ie EU_DCRP (i =2) for the purposes of the above calculation will be determined by reference to which EU Futures Contract is either the first month or second month (as the case may be) EU Futures Contract on such day.

EU Rebalancing Date t-1 means the EU Rebalancing Date immediately preceding EU Rebalancing Date(t).

7. Calculating the level of each Component

7.1 Calculation of the returns for the US Baskets

On each US Rebalancing Date, the Index Calculation Agent shall determine the level of the US Component ("**US_Component(t)**") as follows (provided that if a Market Disruption Event occurs on such a day, no EU_Component(t) will be determined for such day and Section 9 will apply):

$$US_Component(t) = US_Component(t-1) \times (1 + (US_Long_Exp(t,1) - US_I(t-1) \times US_Short_Exp(t,1)) \times RR_1(t)_US + (US_Long_Exp(t,2) - US_I(t-1) \times US_Short_Exp(t,2)) \times RR_2(t)_US + (US_Long_Exp(t,3) - US_I(t-1) \times US_Short_Exp(t,3)) \times RR_3(t)_US - R_US * Fut_Delta(t))$$

Where:

US_Component(t-1) means, in respect of US Rebalancing Date(t), the level of the US_Component for the immediately preceding US Rebalancing Date.

US_Long_Exp(t,i) means, in respect of US Rebalancing Date(t), the arithmetic mean of the long Daily Position Adjustments for the US Basket (i = 1, 2, 3) ("**US_PA_Long(t, i)**") over the twenty Index Business Days occurring up to, but excluding, the Index Business Day that is immediately preceding US Rebalancing Date(t).

US_Short_Exp(t,i) means, in respect of US Rebalancing Date(t), the arithmetic mean of the short Daily Position Adjustment for the US Basket (i = 1, 2, 3) ("**US_PA_Short(t, i)**") over the twenty Index Business

Days occurring up to, but excluding, the Index Business Day that is immediately preceding US Rebalancing Date(t).

If the Index Business Day immediately preceding US Rebalancing Date(t) is a Disrupted Day, then the Index Calculation Agent shall determine its good faith estimate of US_Long_Exp(t,i) provided that such estimated value must be a value between the value of US_Long_Exp(t-1,i) and the value of US_Long_Exp(t,i) that would have applied if the Index Business Day immediately preceding US Rebalancing Date(t) was not a Disrupted Day.

If the Index Business Day immediately preceding US Rebalancing Date(t) is a Disrupted Day, then the Index Calculation Agent shall determine its good faith estimate of US_Short_Exp(t,i), provided that such estimated value must be a value between the value of US_Short_Exp(t-1,i) and the value of US_Short_Exp(t,i) that would have applied if the Index Business Day immediately preceding US Rebalancing Date(t) was not a Disrupted Day.

US_I(t) means, in respect of US Rebalancing Date(t), the short signal applicable to the US Baskets on such day as determined by the Index Calculation Agent in accordance with section 6.1.

RR_i(t)_US means, in respect of US Rebalancing Date(t), the Roll Return for the relevant US Basket, as determined by the Index Calculation Agent in accordance with section 4.1.

R_US means, in respect of US Rebalancing Date(t), the Rebalancing Adjustment Factor for such day as set out in the Index Details.

Fut_Delta(t) is determined as follows:

If US Rebalancing Date(t) is not a US Rebalancing Settlement Date, then:

$$\text{Fut_Delta}(t) = |F1(t+1) - F1(t)| + |F2(t+1) - F2(t)| + |F3(t+1) - F3(t)| + |F4(t+1) - F4(t)| + |F5(t+1) - F5(t)| + |F6(t+1) - F6(t)| + |F7(t+1) - F7(t)| + |TotalShortExp(t+1) \times US_I(t) - TotalShortExp(t) \times US_I(t-1)|$$

If US Rebalancing Date(t) is a US Rebalancing Settlement Date, then:

$$\text{Fut_Delta}(t) = |F1(t+1) - F2(t)| + |F2(t+1) - F3(t)| + |F3(t+1) - F4(t)| + |F4(t+1) - F5(t)| + |F5(t+1) - F6(t)| + |F6(t+1) - F7(t)| + |F7(t+1)| + |TotalShortExp(t+1) \times US_I(t) - TotalShortExp(t) \times US_I(t-1)|$$

Where :

$$\mathbf{F1(t)} = \text{US_CRW}(1, t-1) \times (\text{US_Long_Exp}(t,1) - \text{US_I}(t-1) \times \text{US_Short_Exp}(t,1))$$

$$\mathbf{F2(t)} = \text{US_CRW}(2, t-1) \times (\text{US_Long_Exp}(t,1) - \text{US_I}(t-1) \times \text{US_Short_Exp}(t,1)) + 0.5 \times \text{US_CRW}(1, t-1) \times (\text{US_Long_Exp}(t,2) - \text{US_I}(t-1) \times \text{US_Short_Exp}(t,2))$$

$$\mathbf{F3(t)} = 0.5 \times (\text{US_Long_Exp}(t,2) - \text{US_I}(t-1) \times \text{US_Short_Exp}(t,2))$$

$$\mathbf{F4(t)} = 0.5 \times \text{US_CRW}(2, t-1) \times (\text{US_Long_Exp}(t,2) - \text{US_I}(t-1) \times \text{US_Short_Exp}(t,2)) + 1/3 \times \text{US_CRW}(1, t-1) \times (\text{US_Long_Exp}(t,3) - \text{US_I}(t-1) \times \text{US_Short_Exp}(t,3))$$

$$\mathbf{F5(t)} = 1/3 \times (\text{US_Long_Exp}(t,3) - \text{US_I}(t-1) \times \text{US_Short_Exp}(t,3))$$

$$\mathbf{F6(t)} = 1/3 \times (\text{US_Long_Exp}(t,3) - \text{US_I}(t-1) \times \text{US_Short_Exp}(t,3))$$

$$\mathbf{F7(t)} = 1/3 \times (\text{US_Long_Exp}(t,3) - \text{US_I}(t-1) \times \text{US_Short_Exp}(t,3)) \times \text{US_CRW}(2, t-1)$$

$$\mathbf{TotalShortExp(t)} = (\text{US_Short_Exp}(t,1) + \text{US_Short_Exp}(t,2)) + \text{US_Short_Exp}(t,3)$$

$$\mathbf{US_CRW(1, p)} = \text{dr_us} / \text{dp_us}$$

$$\mathbf{US_CRW(2, p)} = (\text{dp_us} - \text{dr_us}) / \text{dp_us}$$

The reference above to “p” is to the relevant US Rebalancing Date, in other words to US Rebalancing Date “t” or “t-1” (as the case may be).

dp_us is the total number of US Rebalancing Dates in the US Rebalancing Period in which the US Rebalancing Date (p) falls (irrespective of whether any such day is a Disrupted Day).

dr_us is the total number of US Rebalancing Dates from, and excluding, the US Rebalancing Date (p) to, but excluding, the next US Rebalancing Settlement Date (irrespective of whether any such day is a Disrupted Day).

US_I(t-1) means in respect of US Rebalancing Date(t), the short signal applicable to the US Baskets on the immediately preceding US Rebalancing Date, as determined by the Index Calculation Agent in accordance with section 6.1.

7.2 Calculating the level of the EU Component

On each EU Rebalancing Date, the Index Calculation Agent shall determine the level of the EU Component ("**EU_Component(t)**") as follows (provided that if a Market Disruption Event occurs on such a day, no EU_Component(t) will be determined for such day and Section 9 will apply):

$$\text{EU_Component}(t) = \text{EU_Component}(t-1) \times (1 + (\text{EU_Long_Exp}(t,1) - \text{EU_I}(t-1) \times \text{EU_Short_Exp}(t,1)) \times \text{RR_1}(t)_{\text{EU}} + (\text{EU_Long_Exp}(t,2) - \text{EU_I}(t-1) \times \text{EU_Short_Exp}(t,2)) \times \text{RR_2}(t)_{\text{EU}} - \text{R_EU} \times \text{Fut_Delta}(t))$$

Where:

EU_Component(t-1) means, in respect of EU Rebalancing Date(t), the level of the EU_Component for the immediately preceding EU Rebalancing Date that is not a Disrupted Day.

EU_Long_Exp(t,i) means, in respect of EU Rebalancing Date(t), the arithmetic mean of the long Daily Position Adjustments for EU Basket (i = 1, 2) ("**EU_PA_Long(t, i)**") over the twenty Index Business Days occurring up to, but excluding, the Index Business Day that is not a Disrupted Day immediately preceding EU Rebalancing Date(t).

EU_Short_Exp(t,i) means, in respect of EU Rebalancing Date(t), the arithmetic mean of the short Daily Position Adjustments for EU Basket (i = 1, 2) ("**EU_PA_Short(t, i)**") over the twenty Index Business Days occurring up to, but excluding, the Index Business Day that is not a Disrupted Day immediately preceding EU Rebalancing Date(t).

If the Index Business Day immediately preceding EU Rebalancing Date(t) is a Disrupted Day, then the Index Calculation Agent shall determine its good faith estimate of EU_Long_Exp(t,i) provided that such estimated value must be a value between the value of EU_Long_Exp(t-1,i) and the value of EU_Long_Exp(t,i) that would have applied if the Index Business Day immediately preceding EU Rebalancing Date(t) was not a Disrupted Day.

If the Index Business Day immediately preceding EU Rebalancing Date(t) is a Disrupted Day, then the Index Calculation Agent shall determine its good faith estimate of EU_Short_Exp(t,i) provided that such estimated value must be a value between the value of EU_Short_Exp(t-1,i) and the value of EU_Short_Exp(t,i) that would have applied if the Index Business Day immediately preceding EU Rebalancing Date(t) was not a Disrupted Day.

EU_I(t) means, in respect of EU Rebalancing Date(t), the short signal applicable to the EU Baskets on such day as determined by the Index Calculation Agent in accordance with section 6.2.

RR_i(t)_EU means, in respect of EU Rebalancing Date(t), the Roll Return for the relevant EU Basket, as determined by the Index Calculation Agent in accordance with section 4.2.

R_EU means, in respect of EU Rebalancing Date(t), the Rebalancing Adjustment Factor for such day as set out in the Index Details.

Fut_Delta(t) is determined as follows:

If EU Rebalancing Date(t) is not an EU Rebalancing Settlement Date, then:

$$\text{Fut_Delta}(t) = |F1(t+1) - F1(t)| + |F2(t+1) - F2(t)| + |F3(t+1) - F3(t)| + |F4(t+1) - F4(t)| + |F5(t+1) - F5(t)| + |F6(t+1) - F6(t)| + |\text{TotalShortExp}(t+1) \times \text{EU_I}(t) - \text{TotalShortExp}(t) \times \text{EU_I}(t-1)|$$

If EU Rebalancing Date(t) is an EU Rebalancing Settlement Date, then:

$$\text{Fut_Delta}(t) = |F1(t+1) - F2(t)| + |F2(t+1) - F3(t)| + |F3(t+1) - F4(t)| + |F4(t+1) - F5(t)| + |F5(t+1) - F6(t)| + |F6(t+1)| + |\text{TotalShortExp}(t+1) \times \text{EU_I}(t) - \text{TotalShortExp}(t) \times \text{EU_I}(t-1)|$$

Where :

$$\mathbf{F1(t)} = 0.5 \times \text{EU_CRW}(1,t-1) \times (\text{EU_Long_Exp}(t,1) - \text{EU_I}(t-1) \times \text{EU_Short_Exp}(t,1))$$

$$\mathbf{F2(t)} = 0.5 \times (\text{EU_Long_Exp}(t,1) - \text{EU_I}(t-1) \times \text{EU_Short_Exp}(t,1))$$

$$\mathbf{F3(t)} = 0.5 \times \text{EU_CRW}(2,t-1) \times (\text{EU_Long_Exp}(t,1) - \text{EU_I}(t-1) \times \text{EU_Short_Exp}(t,1))$$

$$\mathbf{F4(t)} = 0.5 \times \text{EU_CRW}(1,t-1) \times (\text{EU_Long_Exp}(t,2) - \text{EU_I}(t-1) \times \text{EU_Short_Exp}(t,2))$$

$$F5(t) = 0.5 \times (EU_Long_Exp(t,2) - EU_I(t-1) \times EU_Short_Exp(t,2))$$

$$F6(t) = 0.5 \times EU_CRW(2,t-1) \times (EU_Long_Exp(t,2) - EU_I(t-1) \times EU_Short_Exp(t,2))$$

$$EU_CRW (1, p) = dr_eu / dp_eu$$

$$EU_CRW (2, p) = (dp_eu - dr_eu) / dp_eu$$

The reference above to “**p**” is to the relevant EU Rebalancing Date, in other words to EU Rebalancing Date “**t**” or “**t-1**” (as the case may be).

dp_eu is the total number of EU Rebalancing Dates in the EU Rebalancing Period in which the EU Rebalancing Date (p) falls (irrespective of whether any such day is a Disrupted Day).

dr_eu is the total number of EU Rebalancing Dates from, and excluding, the EU Rebalancing Date (p) to, but excluding, the next EU Rebalancing Settlement Date (irrespective of whether any such day is a Disrupted Day).

EU_I(t-1) means in respect of EU Rebalancing Date(t), the short signal applicable to the EU Baskets on the immediately preceding EU Rebalancing Date, as determined by the Index Calculation Agent in accordance with section 6.2.

$$TotalShortExp(t) = (EU_Short_Exp(t,1) + EU_Short_Exp(t,2))$$

8. Calculation of the Index Level

On each Index Business Day, the Index Calculation Agent shall determine the Index Level (“**Index(t)**”), as follows (provided that if a Market Disruption Event occurs on such a day, no Index(t) will be determined for such day and Section 9 will apply):

$$Index(t) = Index(t-1) \times (1 + Return(t))$$

Where:

Index(t-1) means, in respect of Index Business Day(t), the Index Level in respect of the immediately preceding Index Business Day which is not a Disrupted Day, or, if Index Business Day(t) is the first Index Business Day following the Index Base Date, the Index Base Level.

Return(t) is determined, in respect of Index Business Day(t), as follows:

$$Return(t) = (EU_Component(t) / EU_Component(t-1) - 1) \times (FX(t) / FX(t-1)) + US_Component(t) / US_Component(t-1) - (A * n(t-1, t) / 360)$$

Where:

US_Component(t) means the level of the US Component on Index Business Day(t) as determined by the Index Calculation Agent in accordance with section 7.1.

US_Component(t-1) means, in respect of an Index Business Day(t), the level of the US_Component for the immediately preceding Index Business Day (in respect of the Index or a Component) as determined by the Index Calculation Agent in accordance with section 7.1.

EU_Component(t) means the level of the EU Component on Index Business Day(t) as determined by the Index Calculation Agent in accordance with section 7.2.

EU_Component(t-1) means, in respect of an Index Business Day(t), the level of the EU Component for the immediately preceding Index Business Day (in respect of the Index or a Component) as determined by the Index Calculation Agent in accordance with section 7.2.

A means the Adjustment Factor as set out in Part C: the Index Details.

n(t-1,t) is the number of calendar days from, and including Index Business Day(t-1) to, but excluding, Index Business Day(t).

FX(t) means the FX Rate in respect of Index Business Day(t) or (t-1) (as the case may be).

t-1 means the Index Business Day immediately preceding Index Business Day(t).

9. Consequences of Market Disruption Events on the determination of the Index Level

Notwithstanding any other provision of the Index Rules, if any Index Business Day is a Disrupted Day then the Index Calculation Agent will suspend the calculation and publication of the Index Level until the first succeeding Index Business Day which is not a Disrupted Day.

Part C: Index Details

Sub-Part C1: The US Component. The following table sets out specific information relating to the US Component of the Index.

Name of Component	The US Component	
Currency of Component	US Dollar	
US Base Index	The CBOE Volatility Index (Bloomberg Code: VIX Index)	
US Rebalancing Dates	Each day (other than a Saturday or Sunday) on which the Relevant Exchange(s) in respect of each US Futures Contract and the US Base Index are open for trading during its or their regular trading sessions	
Relevant Exchange	Means, as at the US Base Date, the Chicago Board Options Exchange or any successor thereof or otherwise any exchange on which any Successor Futures Contract is traded or the US Base Index is listed (as the case may be) from time to time	
US Rebalancing Settlement Dates	Means, in respect of a US Futures Contract, the final settlement date (or howsoever it is called) as published by the Relevant Exchange	
Rebalancing Adjustment Factor (“ R_US ”) utilized for US Rebalancing Date(t). The Rebalancing Adjustment Factor is referenced in the definition of “US Component(t)”. The Rebalancing Adjustment Factor is not a per annum amount, but applied to “Fut_Delta (t-1)”.	US Base Index Level on US Rebalancing Date (t-1)	Rebalancing Adjustment Factor
	=< 35	0.20%
	=< 50 and > 35	0.30%
	=< 70 and > 50	0.40%
	> 70	0.50%
US Base Date	30 December 2011	
US Base Level	100.00	

Sub-Part C1: The EU Component. The following table sets out specific information relating to the EU Component of the Index.

Name of Component	The EU Component	
Currency of Component	EUR	
EU Base Index	The VSTOXX Index (Bloomberg Code: V2X Index)	
EU Rebalancing Dates	Each day (other than a Saturday or Sunday) on which the Relevant Exchange(s) in respect of each EU Futures Contract and the EU Base Index are open for trading during its or their regular trading sessions	
EU Relevant Exchange	Means, as at the EU Base Date, Eurex or any successor thereof or otherwise any exchange on which any Successor Futures Contract is traded or the EU Base Index is listed (as the case may be) from time to time	
EU Rebalancing Settlement Dates	Means, in respect of an EU Futures Contract, the final settlement date (or howsoever it is called) as published by the Relevant Exchange	
Rebalancing Adjustment Factor ("R_EU") utilized for EU Rebalancing Date(t). The Rebalancing Adjustment Factor is referenced in the definition of "EU Component(t)". The Rebalancing Adjustment Factor is not a per annum amount, but applied to "Fut_Delta (t-1)".	Base Index Level on EU Rebalancing Date (t-1)	Rebalancing Adjustment Factor
	= < 40	0.30%
	= < 55 and > 40	0.40%
	= < 75 and > 55	0.60%
	> 75	0.75%
EU Base Date	30 December 2011	
EU Base Level	100.00	

Sub-Part C3: the Enhanced Volatility Curve Index. The following table sets out specific information relating to the Index.

Name of Index (and Bloomberg ticker)	Enhanced Volatility Curve Index (ENHMHCRV Index)
Currency of the Index	USD
Index Business Days	Means a day that is both a US Rebalancing Date and an EU Rebalancing Date.
FX Rate	The number of USD per 1 EUR as published on the EURUSD F163 Bloomberg page (or such successor or alternative page as determined by the Index Calculation Agent).
Adjustment Factor	0.75% per annum
Index Base Date	30 December 2011
Index Base Level	100.00

SCHEDULE**Part 2****INDEX DISCLAIMER AND POTENTIAL CONFLICT OF INTEREST**

The Securities are linked to the Enhanced Volatility Curve Index (for the purposes of this Part 2 of this Schedule, the "**Index**").

J.P. Morgan Securities Ltd. ("**JPMSL**") and any of its affiliates or subsidiaries (each such entity, together with all other affiliates or subsidiaries of JPMorgan Chase & Co., the "**JPMorgan Group**") create, design and sponsor the Index and may, to the extent any such company becomes the Index Calculation Agent in respect of the Index, calculate, disseminate and make certain determinations in respect of the Index. No entity in the JPMorgan Group has any obligation to take into account the interests of holders of the Securities in this regards and the relevant JPMorgan Group entities can at any time and in their sole discretion, modify or change the method of calculating the Index or cease its calculation, publication or dissemination. Accordingly, actions and omissions of the relevant entities of the JPMorgan Group may affect the value of the Index and, consequently, the value of the Securities.

Neither the Index Sponsor nor the Index Calculation Agent (as defined in the Index Rules (as defined below)) is under an obligation to continue the calculation, publication and dissemination of the Index. Markit Equities Limited or any affiliate, subsidiary or third party designated by JPMSL as Index Sponsor in respect of that Index will act as Index Calculation Agent in respect of the Index.

THE INDEX IS DERIVED FROM SOURCES THAT ARE CONSIDERED RELIABLE, BUT THE JPMORGAN GROUP (OTHER THAN WITH RESPECT TO THE RESPONSIBLE PERSONS (SEE "IMPORTANT NOTICES" ABOVE)) DOES NOT GUARANTEE THE VERACITY, CURRENCY, COMPLETENESS OR ACCURACY OF THE INDEX OR OTHER INFORMATION FURNISHED IN CONNECTION WITH THE INDEX. NO REPRESENTATION, WARRANTY OR CONDITION, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO CONDITION, SATISFACTORY QUALITY, PERFORMANCE, OR FITNESS FOR PURPOSE ARE GIVEN OR DUTY OR LIABILITY ASSUMED BY THE JPMORGAN GROUP IN RESPECT OF THE INDEX OR ANY DATA INCLUDED THEREIN, OMISSIONS THEREFROM OR THE USE OF THE INDEX IN CONNECTION WITH THE PRODUCT, AND ALL THOSE REPRESENTATIONS, WARRANTIES AND CONDITIONS ARE EXCLUDED SAVE TO THE EXTENT THAT SUCH EXCLUSION IS PROHIBITED BY LAW.

To the fullest extent permitted by law, the JPMorgan Group shall have no liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities, including without limitation liability for any special, punitive, indirect or consequential damages (including lost profits), even if notified of the possibility of such damages, whether caused by the negligence of that person or otherwise, arising in connection with the use of the Index or in connection with the Securities.

Other than with respect to the Responsible Persons (see "Important Notices" above), no entity in the JPMorgan Group, as Index Sponsor, or by reason only of being an affiliate or a subsidiary of the Index Sponsor, makes any warranty or representation whatsoever, express or implied, as to the accuracy or completeness of the index rules as set forth in Part 1 (*Enhanced Volatility Curve Index – Index Rules*) (the "**Index Rules**") of this Schedule hereto, results to be obtained from the use of the Index, or as to the performance and/or the value thereof at any time (past, present or future). The JPMorgan Group retains the right to change the Index Rules in accordance with its provisions and such Index Rules may change at any time.

No entity in the JPMorgan Group (whether as a result of negligence or for any other reason), as Index Sponsor, or by reason only of being an affiliate or a subsidiary of the Index Sponsor, shall be liable to any investor or holder of the Securities for any error or omission in the calculation of the Index or be under any obligation to advise any person of any error therein or to guarantee the performance and/or value of the Index.

Potential Conflicts of Interest

In the normal course of business, the Issuer, JPMSL and/or their affiliates and/or its or their directors, officers and employees may have, or may have had, interests or positions, or may buy, sell or otherwise trade positions, in or relating to the Index and/or the constituents thereof, or may have invested, or may engage in transactions with others relating to any of these items. Such activity may, or may not, affect the value of the Securities, but potential investors should be aware that a conflict may arise.

In addition, on, prior to or after the Trade Date (being 25 January 2012) or the Issue Date, the Issuer, JPMSL or any of their affiliates or others may hedge their anticipated exposure with respect to the Securities by taking positions in any underlying asset, or in any investment that is a component of or an investment in or relating to the Index.

The Calculation Agent under the Securities, JPMSL, has various broad discretionary powers in connection with certain determinations and valuations in respect of the Securities, exercise of any of which could have the effect of reducing the returns on the Securities to the Holders thereof.

Potential investors in the Securities should be aware that any entity within the JPMorgan Group is or may be, in respect of futures on the Index, and/or the constituents thereof, comprising the hypothetical portfolio on which the performance of the Securities is based, engaged in trading, brokerage and financing activities, as well as providing investment banking and financial advisory services. Accordingly, any entity within the JPMorgan Group may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of its customers.

JPMSL has various broad discretionary powers in connection with certain determinations and valuations in respect of the Securities and the composition and certain other determinations in respect of the Index, exercise of any of which could have the effect of reducing the returns on the Securities to the Holders thereof. In particular, upon the occurrence of certain events which have an impact on the constituents of the Index (namely, market disruption events or other events affecting the constituents of the Index, the determination of which may be on the instructions or with the prior consent of the Index Sponsor) provisions relating to the calculation of the value of the Index or of any affected constituents may be adjusted.

It should be noted that the Index has been developed with the possibility of the Index Sponsor or any entity in the JPMorgan Group issuing, entering into, promoting, offering or selling transactions or investments (structured or otherwise) linked, in whole or in part, to the Index and hedging such transactions or investments in any manner that they see fit. Accordingly it should be assumed that the Index Rules (attached at Part 1 of this Schedule hereto) will be analysed from this point of view.

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 2011.

There has been no significant change in the financial or trading position of JPMSP since 31 December 2011.

2. **Legal and arbitration proceedings of the Issuer**

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.

3. **No material adverse change in prospects or significant change in financial or trading position of the Guarantor**

Save as disclosed in the section entitled "JPMorgan Chase & Co. – Trend Information / Business Outlook" on pages 344 to 346 of the Base Prospectus, there has been no material adverse change in the prospects of JPMorgan Chase Bank, N.A. since 31 December 2011.

Save as disclosed in the section entitled "JPMorgan Chase & Co. – Trend Information / Business Outlook" on pages 344 to 346 of the Base Prospectus, 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 31 December 2011.

4. **Legal and arbitration proceedings of the Guarantor**

Save as disclosed in the section entitled "JPMorgan Chase & Co. – Litigation" on pages 355 to 366 of the Base 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. 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. March 2012 Form 10-Q, the JPMorgan Chase & Co. 2012 Proxy Statement, the JPMorgan Chase & Co 2011 Form 10-K, the JPMorgan Chase & Co. 2010 Form 10-K, the Current Report on Form 8-K of JPMorgan Chase & Co. dated 4 November 2011 containing revisions to the information contained in the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2010 which reflect changes in JPMorgan Chase & Co.'s business segments that became effective on 1

July 2011, the JPMorgan Chase Bank, N.A. 2011 Audited Financial Statements, the JPMorgan Chase Bank, N.A. 2010 Audited Financial Statements, the JPMSP 2011 Audited Financial Statements and the JPMSP 2010 Audited Financial Statements;

- (iii) the documents incorporated by reference herein;
 - (iv) the Articles of Association of the Issuer;
 - (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 Base Prospectus, including any documents incorporated therein or any supplement to the Base Prospectus;
 - (viii) the Agency Agreement (which includes the form of the Registered Global Notes, the Registered Definitive Notes, the Global Certificates and the Global Warrants);
 - (ix) the JPMorgan Chase Bank, N.A. Guarantee; and
 - (x) any supplement or amendment (other than to the Base Prospectus) to any of the foregoing.
6. The Securities shall be governed by English law. The JPMorgan Chase Bank, N.A. Guarantee is governed by the laws of the State of New York.

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

J.P. Morgan Securities Ltd.
125 London Wall
London, EC2Y 5AJ
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

Calculation Agent and Delivery Agent

J.P. Morgan Securities Ltd.
125 London Wall
London, EC2Y 5AJ
United Kingdom

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 JPMS

PriceWaterhouseCoopers Accountants

N.V.

Thomas R. Malthusstraat 5
PO Box 90357
1006 BJ Amsterdam
The Netherlands

**To JPMorgan Chase Bank, N.A. and
JPMorgan Chase & Co.**

PriceWaterhouseCoopers LLP

300 Madison Avenue
New York, NY 10017
United States of America

Legal Advisers to the Dealer in respect of the Securities

in respect of English law

CMS Cameron McKenna LLP

Mitre House
160 Aldersgate Street
London EC1A 4DD
United Kingdom