

GENERAL RISK DISCLOSURE

It is very important you understand the risks attached to each of the investments **before** you invest. The key risk areas summarised below are general risks and those relevant to a particular product are set out in the product literature for example, termsheet, brochure, guide to structured products.

It is recommended that any investment(s) should only form part of your own total investment portfolio strategy. It is also recommended to maintain savings you can access immediately to meet any emergency cash needs that could arise during the investment term.

It is important that you read all the related product literature provided by BrokerCreditService Structured Products PLC (BCS SP Plc) and/or your broker carefully and in full so that you understand how the product works and can decide whether or not you are prepared to accept the risks and the possible consequences of investing in a particular product, before proceeding with your investment.

BCS SP Plc is not qualified to provide investment, legal, tax or accounting advice to its clients and does not purport to do so in this document. Clients are urged to seek the advice of their own professional advisers about the consequences of investments to products of BCS SP Plc, especially in cases where a client does not understand any particular features of a product contained in product literature as referred to above.

Risk Factors

Potential investors are urged to consult with their legal, regulatory, investment, accounting, tax and other advisors with regard to any future or actual investment.

Underlying Risk: Prices of underlyings are affected by a variety of factors, including changes in supply and demand relationships, governmental programs and policies, national and international political and economic events, wars and acts of terror, changes in interest and exchange rates, trading activities in underlyings, monetary and exchange control policies. Importantly, the performance of the investment can be determined by, amongst other things, the performance of a futures contract, rather than the spot price on the underlying. The final redemption amount depends on the performance of the underlying and could be zero.

Underlying Illiquidity Risk: The underlying might be or become illiquid over the life time of the product. Illiquidity of the underlying may have negative impact on BCS SP Plc's ability to provide a secondary market for the product. It may result in a temporarily or potentially even indefinitely increased bid/offer spread for the product or result in the early termination of the product.

Credit Risk: Investors are exposed to the credit risk of BCS SP Plc. The investments are essentially a loan to BCS SP Plc with a repayment amount linked to the performance of the Underlying that BCS Plc promises to pay to you at maturity. There is the risk, however, that BCS SP Plc may not be able to fulfil its promise to you. If any companies in group BCS SP Plc belongs to incur losses with respect to any of their activities, this may have a negative impact on the financial condition of BCS SP Plc. You may lose all or part of your investment if BCS SP Plc is unable to pay the coupons or the redemption amount and/or go into liquidation. No assets of BCS SP Plc are segregated and specifically set aside in order to pay the holders of the product in the event of liquidation of BCS SP Plc, and the holders of the products may rank behind creditors who have more senior rights in relation to certain assets of BCS SP Plc.

Secondary Market / Exit Risk: The payout described is provided at maturity only. If you sell

the product prior to maturity (early termination), there is a risk that the market price could be substantially less than the initial investment. The price of the product prior to maturity will depend on numerous factors including perception of BCS SP Plc's credit quality, for example a downgrade in rating is likely to cause a decrease of the market price of the product. Also the secondary market price of the product will depend on many factors, including the value and volatility of the underlying, interest rates, the dividend rate on the stocks (if any) that compose the underlying and time remaining to maturity. The secondary market price may be lower than the market value of the product as at the issue date to take into account amounts paid distributors and other intermediaries relating to the product and sale of the products as well as amounts relating to the hedging of BCS SP Plc's obligations. As a result of all of these factors, the holder may receive an amount in the secondary market which may be less than the then initial market value of the product and which may also be less than the amount the holder would have received had the holder held the product through to maturity. If you may need to access your capital during the investment term, these product may not be suitable for you. Possible charges for early termination will also increase any losses.

Liquidity Risk: Any secondary market in the product will be made on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. Even whilst there may be a secondary market in the product it may not be liquid enough to facilitate a sale by the holder.

Hedging Risk: On or prior to and after the trade date, BCS SP Plc, through its affiliates or others, will likely hedge its anticipated exposure under the products by taking positions in the underlying, in option contracts on the underlying or positions in any other available securities or instruments. In addition, BCS SP Plc and its affiliates trade the underlying as part of their general businesses. Any of these activities could potentially affect the value of the Underlying, and accordingly, could affect the payout to holders on the products.

Foreign Exchange Risk: The investor in the product is exposed to foreign exchange rate risk if the currency of the underlying and settlement currency are not identical.

Product Risk – the risk that the product design could produce a return that is lower than a direct investment in the market(s) or asset(s) to which the product is linked or may produce no return at all.

Pricing Risk – the risk that a financial institution with whom underlying investments have been arranged may not be able to quote regular prices making it difficult to value your investment and delaying any early termination request you may make.

Investment Risk – The risk that the market(s) or asset(s) to which your investment is linked fall in value, which could cause you to lose some or all of your money.

Inflation Risk – the risk that inflation will reduce the real value of your investment over time.

Past performance is no guide to the future – Investing in Structured Products is high risk, potentially long term, may lead to loss of initial investment in product and early termination is most likely to give rise to losses.