

Issuer

**J.P. Morgan Structured Products B.V.**

*(Incorporated with limited liability in The Netherlands)*

Guarantor

**JPMorgan Chase Bank, National Association**

*(a national banking association organized under the laws of United States of America)*

(Stock Code: 16875)

**200,000,000 European style cash-settled call warrants in relation to ordinary shares of HK\$0.10 each of China Mobile Limited in Global Registered Form 2012**

Managers

**J.P. Morgan Securities Ltd.**

**J.P. Morgan Securities (Asia Pacific) Limited**

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This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Stock Exchange's Listing Rules) for the purpose of giving information with regard to the issuer, the guarantor and the warrants referred to in this document. The issuer and the guarantor accept full responsibility for the accuracy of the information contained in the base listing document dated 17 May 2011 (the base listing document), the supplemental disclosure document dated 25 October 2011 (the supplemental disclosure document) and this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in these documents, when read together, misleading. This document should be read together with our base listing document, the supplemental disclosure document and any addendum; together they constitute the listing documents for our warrants referred to in this document.

We, the issuer of our warrants, are publishing this supplemental listing document in order to obtain a listing on the Stock Exchange of our warrants. You should read this supplemental listing document as well as our base listing document, the supplemental disclosure document and any addendum to understand our warrants before deciding whether to buy our warrants.

**Investors are warned that the price of the warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the warrants and carefully study the risk factors set out in this document, the base listing document and the supplemental disclosure document and, where necessary, seek professional advice, before they invest in the warrants.**

**The warrants constitute general unsecured contractual obligations of the issuer and of no other person and if you purchase the warrants you are relying upon the creditworthiness of the issuer and the guarantor and have no rights under the warrants against the company which has issued the underlying securities.**

The guarantee of the guarantor (i) is an unsecured and unsubordinated general obligation of the guarantor and not of any of its affiliates; (ii) is not a savings account or deposit of the guarantor or any bank or non-bank subsidiary of the guarantor; and (iii) will rank *pari passu* with all other unsecured and unsubordinated obligations of the guarantor, except obligations, including U.S. domestic deposits of the guarantor, that are subject to any priorities or preferences by law. The guarantee is not a deposit insured by the U.S. Federal Deposit Insurance Corporation, the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality.

The issuer and the guarantor are part of a large global financial institution and have many financial products and contracts outstanding at any given time. When purchasing the warrants, you will be relying on the creditworthiness of the issuer and the guarantor and of no one else.

The distribution of this document, the base listing document, the supplemental disclosure document, any addendum and the offering, sale and delivery of warrants in certain jurisdictions may be restricted by law. You are required to inform yourselves about and to observe such restrictions. Please read Annex 3 "Purchase and Sale" in the base listing document. **The warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), and trading in the warrants has not been and will not be approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act. The warrants may not be offered or sold within the United States or to or for the account or benefit of U.S. Persons (as defined in Regulation S under the Securities Act).**

Supplemental Listing Document dated 13 February 2012

**J.P.Morgan**

**CONTENTS**

**OUR WARRANTS AT A GLANCE ..... 2**

**TERMS AND CONDITIONS OF OUR WARRANTS..... 6**

**MORE INFORMATION ABOUT OUR WARRANTS AND OUR LISTING DOCUMENTS..... 7**

**RISK FACTORS..... 10**

**LIQUIDITY PROVIDER..... 25**

**STATUTORY AND GENERAL INFORMATION ABOUT US AND THE GUARANTOR..... 27**

## **IMPORTANT**

**The warrants are structured products which involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.**

If you are in doubt as to the contents of this supplemental listing document, you should obtain independent professional advice.

Copies of the base listing document, the supplemental disclosure document, any addendum and this supplemental listing document (together with a Chinese translation of each of these documents) and other documents listed under the section “Where can I read copies of the Issuer’s documentation?” in this supplemental listing document may be inspected at the offices of J.P. Morgan Securities (Asia Pacific) Limited at 25/F, Chater House, 8 Connaught Road Central, Hong Kong.

基本上市文件、補充披露文件、任何增編及本補充上市文件（及以上各份文件的中譯本）連同補充上市文件內「本人從何處可查閱發行人的文件？」一節所列的其餘文件，可於J.P. Morgan Securities (Asia Pacific) Limited 於香港干諾道中8號遮打大廈25樓的辦事處供查閱。

We do not give you investment advice; you must decide for yourself, after reading this supplemental listing document, the base listing document, the supplemental disclosure document and any addendum and, if necessary, seeking professional advice, whether our warrants meet your investment needs.

### **The warrants are not rated.**

When evaluating the guarantor’s creditworthiness, you should not solely rely on the guarantor’s credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the warrants;
- ratings of the guarantor may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence; and
- a high credit rating is not necessarily indicative of low risk. The guarantor’s credit ratings as of the launch date are for reference only. Any downgrading of the guarantor’s credit ratings could result in a reduction in the value of the warrants.

Rating agencies usually receive a fee from the entities that they rate.

## **OUR WARRANTS AT A GLANCE**

The legal terms and conditions of our warrants are constituted by the relevant terms and conditions found in the base listing document, as those terms are supplemented by this supplemental listing document. You should read the relevant terms and conditions set out in our base listing document together with the specific terms in this supplemental listing document before deciding whether to buy our warrants.

<b>Issuer:</b>	J.P. Morgan Structured Products B.V.
<b>Guarantor:</b>	JPMorgan Chase Bank, National Association
<b>Guarantor’s long-term debt ratings as of the launch date:</b>	A+ by Standard and Poor’s AA- by Fitch, Inc. Aa1 by Moody’s Investors Service
<b>Managers:</b>	J.P. Morgan Securities Ltd. J.P. Morgan Securities (Asia Pacific) Limited
<b>Liquidity provider:</b>	J.P. Morgan Broking (Hong Kong) Limited

<b>Stock code:</b>	16875
<b>Issue size:</b>	200,000,000 Warrants
<b>Style:</b>	European style cash-settled
<b>Type:</b>	Call
<b>Underlying asset:</b>	Shares
<b>Shares:</b>	Ordinary shares of HK\$0.10 each of China Mobile Limited
<b>Website of company issuing the underlying asset:</b>	www.chinamobileltd.com
<b>Board Lot:</b>	5,000 Warrants
<b>Issue Price (HK\$):</b>	0.150
<b>Exercise Price (HK\$):</b>	90.000
<b>Exercise amount:</b>	One board lot or integral multiples
<b>Launch date:</b>	7 February 2012
<b>Issue date:</b>	13 February 2012
<b>Dealing commencement date:</b>	14 February 2012
<b>Expiry date:</b>	6 August 2012
<b>Business day:</b>	A day (other than a Saturday) on which the Stock Exchange is open for dealings in Hong Kong and banks are open for business in Hong Kong.
<b>Implied Volatility:</b>	25.50%
<b>Effective Gearing:</b>	10.72x
<b>Gearing:</b>	51.77x
<b>Premium:</b>	17.84%
<b>Number of warrant(s) per entitlement:</b>	10 Warrants
<b>Entitlement:</b>	1 Share
<b>Maximum number of shares to which the warrants relate to:</b>	20,000,000
<b>Form:</b>	Global registered form

**Cash settlement amount per board lot:**

Entitlement x (Average price\* - Exercise Price) x one Board Lot

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Number of warrant(s) per entitlement

\* When we refer to “Average price”, we mean the average closing price of one share over the 5 consecutive stock exchange business days immediately preceding the relevant expiry date.

Where the above formula results in a negative amount, the cash settlement amount shall be zero.

For each board lot of warrants exercised, we will pay the warrant holder no later than 3 business days after the relevant expiry date, the cash settlement amount (in Hong Kong dollars) calculated as per above.

**You should note that if the cash settlement amount on the relevant expiry date is less than or equal to zero, you will lose the entire value of your investment in the warrants.**

**Automatic exercise:**

The warrants will automatically be exercised, without notice, at the earlier of the commencement of the morning trading session or any pre-opening session of the Stock Exchange on the relevant expiry date if the cash settlement amount on the relevant expiry date is greater than zero.

**Exercise expense:**

If any expenses are incurred in relation to the exercise of the warrants, we will deduct such amount from the cash settlement amount. If any such expense is not deducted from the cash settlement amount, you undertake to pay us any unpaid expenses upon our demand.

**Transfers of our warrants:**

Our warrants may only be transferred in board lots or integral multiples of board lots in accordance with the rules of the Central Clearing and Settlement System (CCASS). Currently, any transfer of the warrants on the Stock Exchange must be made no later than 2 trading days after the dealing is entered into.

**Ranking of our warrants:**

Our warrants will rank equally with all our other present and future unsecured and unsubordinated obligations.

**Guarantee:**

Subject to the detailed terms of the guarantee, our obligations under the warrants will be unconditionally and irrevocably guaranteed by the guarantor, JPMorgan Chase Bank, National Association.

**Listing:**

We have made an application to the Listing Committee of the Stock Exchange for listing of and permission to deal in the warrants and the Listing Committee has agreed in principle to grant listing of and permission to deal in the warrants. The issue of the warrants is conditional upon such listing approval being granted.

Currently, we do not intend to apply for a listing of the warrants on any other stock exchange.

**Our dealings in our warrants:**

Following the launch of the warrants, we will place all of the warrants with a related party. If there are any dealings in the warrants by us or any of our subsidiaries or associated companies from the launch date to the listing date, we will report those dealings to the Stock Exchange on the dealing commencement date to be released over the HKEx’s website.

We and/or any of our affiliates may repurchase the warrants at any time, and sell the warrants on-market or via over-the-counter market or otherwise, at prevailing market prices or in negotiated transactions. You should not make any assumption as to the number of warrants in issue at any time.

**Terms and conditions:**

See the section headed “Terms and Conditions of the Cash-Settled Stock Warrants” of the base listing document and the section headed “Terms and Conditions of our Warrants” of this supplemental listing document.

Some of the terms which we have used in this summary will have precise definitions, or could be subject to change as provided in the legal documentation. For example: the date on which the cash settlement amount (if any) is paid and each valuation date for determining the average price for cash settlement amount calculation will be determined on the basis of days (other than a Saturday) on which the Stock Exchange is open for trading and banks are open in Hong Kong for business.

A valuation date for determining the average price for the cash settlement amount calculation could be postponed if there is a market disruption event. The payment of the cash settlement amount (if any) could also be postponed if there is a settlement disruption event on the original settlement date. See Condition 4 of the relevant terms and conditions for more details about these possible postponements and situations where we and/or the agent may need to estimate in good faith the closing price of shares affected by such postponement.

The terms and conditions of our warrants, including but not limited to the exercise price and number of shares to which our warrants relate (entitlement), could be adjusted for various corporate or extraordinary events which could affect the shares underlying our warrants. See Condition 6 of the relevant terms and conditions for more details about these events.

## TERMS AND CONDITIONS OF OUR WARRANTS

The terms and conditions of our warrants are set out in the section headed “Terms and Conditions of the Cash-Settled Stock Warrants” in Annex 1 to the base listing document. For the purposes of these terms and conditions, the following terms shall have the following meanings:

<b>Board Lot:</b>	5,000 Warrants
<b>Company:</b>	China Mobile Limited
<b>Exercise Price (HK\$):</b>	90.000
	This is subject to adjustment in accordance with Condition 6.
<b>Exercise Amount:</b>	One Board Lot or integral multiples
<b>Expiry Date:</b>	6 August 2012
<b>Shares:</b>	Ordinary shares of HK\$0.10 each of China Mobile Limited
<b>Entitlement:</b>	1 Share
	This is subject to adjustment in accordance with Condition 6.
<b>Number of Warrant(s) per Entitlement:</b>	10 Warrants
<b>Warrants:</b>	200,000,000 European style cash-settled call warrants in global registered form 2012 relating to existing issued ordinary shares of HK\$0.10 each of China Mobile Limited
<b>Dealing Commencement Date:</b>	14 February 2012
<b>Cash Settlement Amount:</b>	Determined in accordance with the formula for call warrants as set out in Condition 4(E), except that where the formula results in a negative amount, the Cash Settlement Amount shall be zero.

## **MORE INFORMATION ABOUT OUR WARRANTS AND OUR LISTING DOCUMENTS**

### **WHO SHOULD BUY OUR WARRANTS? ARE THEY SUITABLE FOR EVERYONE?**

Our warrants are designed for investors who:

- are generally bullish (for call warrants) / bearish (for put warrants) on the price performance of the underlying asset over the life of our warrants but understand that there are numerous other factors affecting the value of warrants at any time;
- can accept the risks associated with the warrants described in the section headed “Risk Factors” of this supplemental listing document including the risk of losing the entire value of their investment;
- understand that they have no rights in the underlying asset; and
- realise that prices of warrants may fluctuate and the liquidity of the warrants may be limited.

### **WHO WILL DETERMINE THE CASH SETTLEMENT AMOUNT AND ADJUSTMENTS (IF ANY) TO THE TERMS OF OUR WARRANTS ETC?**

We have appointed J.P. Morgan Securities (Asia Pacific) Limited as the agent to make determinations on our behalf in connection with any adjustments to the terms of our warrants. The agent has sole and absolute discretion in making these determinations under the legal documentation and any decision they make is final and binding on you and on us. The agent is our agent: it owes no duties to you as investors in our warrants.

### **WHO IS RESPONSIBLE FOR THIS SUPPLEMENTAL LISTING DOCUMENT, THE BASE LISTING DOCUMENT AND THE SUPPLEMENTAL DISCLOSURE DOCUMENT?**

We and our guarantor accept full responsibility for the accuracy of the information contained in this supplemental listing document, our base listing document and the supplemental disclosure document.

We have included references to websites to guide you to sources of freely available information. The information on these websites does not form part of our listing documents. Neither we nor the guarantor accept any responsibility for information on these websites. Such information has not been prepared for the purposes of our warrants.

Our base listing document (taken together with, and as updated by the supplemental disclosure document and this supplemental listing document) is accurate as at the date of this supplemental listing document. You must not assume, however, that information in our listing documents is accurate at any time after the date of this supplemental listing document.

The managers and the liquidity provider are not responsible in any way for ensuring the accuracy of our listing documents.

### **IS THE ISSUER OR GUARANTOR REGULATED BY THE HONG KONG MONETARY AUTHORITY OR AN OVERSEAS REGULATORY AUTHORITY OR THE SECURITIES AND FUTURES COMMISSION OF HONG KONG (SFC)?**

We are not regulated by any of the bodies referred to in Rule 15A.13(2) or (3) of the Stock Exchange’s Listing Rules. The guarantor is a licensed bank regulated by the Hong Kong Monetary Authority. It is also a national banking association organised and subject to regulation under the laws of the United States of America, including the National Bank Act.

### **WHERE CAN I FIND MORE INFORMATION ABOUT THE ISSUER, THE GUARANTOR AND THE WARRANTS?**

Information on our warrants is described in this supplemental listing document, our base listing document and the supplemental disclosure document. Please read the base listing document, the supplemental disclosure document together with this supplemental listing document carefully before you decide whether to buy our warrants. Our base listing document contains important information, including information about:

- J.P. Morgan Structured Products B.V. as issuer of our warrants;
- JPMorgan Chase Bank, National Association as guarantor;

- investment risks associated with buying our warrants;
- Hong Kong and Dutch taxation issues in relation to our warrants;
- the arrangements for holding and transferring our warrants in CCASS and how we make payments and give notices; and
- the legally binding terms and conditions of our warrants.

Additional and more up-to-date information regarding the guarantor can be viewed on JPMorgan Chase & Co.'s investor relations website at <http://investor.shareholder.com/jpmorganchase/>. You are cautioned that this information will not have been prepared exclusively for the purposes of our warrants.

We have not authorised anyone to give you any information about our warrants other than the information in this supplemental listing document, our base listing document and the supplemental disclosure document. You should not rely on any other information.

#### **WHEN WERE THE WARRANTS AUTHORISED?**

The issue of the warrants was authorised by resolutions of our board of directors on 20 April 2011. The giving of the guarantee was authorised by resolutions of the board of directors of the guarantor on 17 January 2007 and 29 March 2010.

#### **WHERE CAN I READ COPIES OF THE ISSUER'S DOCUMENTATION?**

This supplemental listing document contains only a summary description about us, the guarantor and our warrants. To find out more, you can read copies of the documents set out below by going to the offices of J.P. Morgan Securities (Asia Pacific) Limited, 25/F, Charter House, 8 Connaught Road Central, Hong Kong. These offices are open only during normal business hours and not on Saturdays, Sundays or public holidays.

These are the documents, copies of which may be inspected upon request until the expiry date of the warrants:

- our memorandum and articles of association;
- the guarantor's articles of association and by-laws;
- our 2010 annual report which contains our financial statements for the year ended 31 December 2010 (the JPMS 2010 Audited Financial Statements);
- the guarantor's consolidated financial statements for the year ended 31 December 2010 comprising consolidated balance sheets at 31 December 2010 and 2009 and the related consolidated statements of income, changes in stockholder's equity, comprehensive income and cash flows for each of the three years ended 31 December 2010;
- the guarantor's unaudited quarterly consolidated financial statements, as and when they become available;
- the guarantee dated 17 May 2011;
- the letter from our auditors, PricewaterhouseCoopers Accountants N.V., consenting to the reproduction of their report on our financial statements for the year ended 31 December 2010 in the base listing document;
- the letters from the guarantor's auditors, PricewaterhouseCoopers LLP, USA, consenting to the reproduction of their report on the consolidated financial statements of the guarantor for the year ended 31 December 2010 in the base listing document;
- the amended and restated instrument dated 3 May 2010 (as amended or supplemented from time to time) pertaining to the issue of warrants; and
- our current base listing document, the supplemental disclosure document and this supplemental listing document (together with a Chinese translation of each of these documents).

A reasonable fee will be charged if you want to take photocopies of any of the documents while they are on display.

## **DO I HAVE TO PAY STAMP DUTY OR OTHER LEVIES ON THE WARRANTS?**

There is no stamp duty on issue or transfer of our cash-settled warrants. The levy for the investor compensation fund is currently suspended.

However, the SFC charges a transaction levy at the rate of 0.003 per cent. on the value of the transaction of your warrants and this amount is payable by each of the buyer and seller. Additionally, the Stock Exchange charges a trading fee on every purchase and sale of listed securities calculated at a rate of 0.005 per cent. of the amount of the transaction and is payable by each of the buyer and seller.

You should be aware that you may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the warrants are transferred. If you are in any doubt as to your tax position, you should consult your own independent tax advisers. You should also be aware that tax regulations and their application by the relevant taxation authorities change from time to time.

## **HOW DO I HOLD MY WARRANTS?**

Our warrants will be issued in global registered form, represented by a global warrant certificate registered in the name of HKSCC Nominees Limited (or its successors).

We have made all necessary arrangements to enable our warrants to be admitted for deposit, clearing and settlement in CCASS. We will not issue any definitive certificates for our warrants. Our warrants will be deposited within CCASS on or about the date of this document.

If you are a CCASS investor participant, you may hold your warrants in your account with CCASS. If you do not have a CCASS account, your broker (as a CCASS participant) will arrange to hold your warrants for you in an account at CCASS. We or the guarantor will make all payments and/or deliveries on our warrants to CCASS: you will have to check your CCASS account or rely on your broker to ensure that payments on your warrants are credited to your account with your broker. Once we have made any payments in this way to CCASS, we will have no further obligations for that payment, even if CCASS or your broker fails to transmit to you your share of such payment or if it was transmitted late. Any notices we and/or the guarantor give in relation to our warrants will be given in the same way: you will have to rely on CCASS and/or your broker to ensure that those notices reach you.

## RISK FACTORS

**This section highlights only some of the risks of investing in the warrants but their inclusion in this document does not mean these are the only significant or relevant risks of investing in our warrants.**

Unless otherwise specified or the context otherwise requires, references to:

- (a) “JPMorgan Chase” are to JPMorgan Chase & Co. and its consolidated subsidiaries; and
- (b) “JPMorgan Chase Bank” are to JPMorgan Chase Bank, N.A. and its consolidated subsidiaries.

**There are risks associated with investing in our warrants; our warrants are volatile instruments and you may sustain a total loss in your investments**

Our warrants are structured financial instruments, their value may fall as rapidly as they may rise and you may sustain a total loss in your investment. Your investment in our warrants involves risks. Before investing in any of our warrants, you should consider whether our warrants are suitable for you in light of your own financial circumstances and investment objectives. Not all of these risks are described in the base listing document, the supplemental disclosure document or this supplemental listing document. You should consider taking independent professional advice prior to making an investment in our warrants.

Your investment in our warrants will be worthless if you are holding our warrants when they expire out-of-the-money – meaning that the final price or level of the underlying asset, determined in accordance with the terms and conditions of our warrants, is greater (for our put warrants) or less (for our call warrants) than the exercise price or strike level of our warrants.

**Warrants are complex and volatile instruments**

Our warrants are complex instruments and their values at any time prior to expiry are governed by a number of factors, including but not limited to the time left till expiry, the price or level of the underlying asset compared with the exercise price or strike level of our warrants, the volatility of price or level of the underlying asset, market interest rate movements, our and the guarantor’s financial condition and the market’s view of our and the guarantor’s credit quality. The values of our warrants may rise or fall rapidly over a short time due to changes in one or more factors. The interplay of these different factors also means that the effect on the value of our warrants from the change in one factor may offset or accentuate the effect from the change in another factor. The value or level of the underlying asset (and some of the other relevant factors) can also be unpredictable: it may change suddenly and in large magnitude or not change at all. You may risk losing your entire investment if the price or level of the underlying asset do not move in your anticipated direction. You should also note that, assuming all other factors are held constant, the value of warrants will decline over time.

The cash settlement amount of our warrants if calculated at any time prior to expiry may typically be less than the market price of such warrants at that time. The difference will reflect, among other things, a “time value” for the warrants which depends on a number of interrelated factors including those specified above.

**Your ability to realise your investment in our warrants is dependent on the trading market for our warrants**

Where our warrants are not exercisable prior to the expiry date, the only way you may be able to realise the value of your investment in our warrants is to dispose of them either in the on-exchange market or over-the-counter market. If you dispose of your investment in our warrants before expiry in this way, the amount you will receive will depend on the price you are able to obtain from the market for our warrants. That price may depend on the quantity of our warrants you are trying to sell. The market price of our warrants may not be equal to the value of our warrants, and changes in the price of our warrants may not correspond (in direction and/or magnitude) with changes in the value of our warrants.

The liquidity provider appointed for our warrants will upon request provide bid and/or offer prices for our warrants on the Stock Exchange and may (but is not obliged to) provide such prices at other times too, but under certain circumstances it may not provide bid and/or offer prices even if requested. You should refer to the section regarding liquidity provider in this supplemental listing document for further details. The prices provided by our liquidity provider are influenced by, among other things, the supply and demand of our warrants for a particular series in the market, and may not correspond with the values of such warrants or changes in such values.

You should note that the prices available in the market for our warrants may also come from other participants in the market, although we cannot predict if and to what extent a secondary market may develop for our warrants or whether that market will be liquid or illiquid. The fact that a particular series of warrants is listed does not necessarily lead to greater liquidity. In addition, no assurance can be given that the listing of any particular series of our warrants will be maintained. If our warrants of a particular series cease to be listed, they may not be transacted through the Stock Exchange or at all, and they may even be terminated early. Off-exchange transactions may involve greater risks than on-exchange transactions. You may be unable to find any buyer for your holdings of our warrants on the Stock Exchange if the value of the warrants falls below HK\$0.01.

Only the liquidity provider appointed for our warrants is obliged to provide bid and/or offer prices for our warrants (subject to the terms set out in this supplemental listing document), and at times it may be the only source of bid and/or offer prices for our warrants.

The liquidity of any series of our warrants may also be affected by restrictions on offers and sales of our warrants in some jurisdiction including the restrictions described in Annex 3 “Purchase and Sale” to the base listing document.

If trading in the underlying asset is suspended, trading in our warrants may also be suspended for a similar period. In the case of a prolonged suspension period, the market price of the warrants may be subject to a significant impact of time decay of such prolonged suspension period and may fluctuate significantly upon resumption of trading after such prolonged suspension period.

**You must rely on our and the guarantor’s creditworthiness; our obligations are not deposit liability or debt obligations**

Our warrants are not secured on any asset. Our warrants represent our general contractual obligations and will rank equally with our other general unsecured obligations. The number of warrants outstanding at any given time may be substantial. When purchasing our warrants, you will be relying upon our and the guarantor’s creditworthiness and of no one else. We do not intend to create upon ourselves a deposit liability or a debt obligation by issue of any warrants.

You should note that we are a non-banking subsidiary of J.P. Morgan International Finance Limited, which is a subsidiary of the guarantor, which is in turn a subsidiary of JPMorgan Chase & Co., a corporation incorporated under the laws of the State of Delaware in the United States of America. Our primary activity is the issuance of securitised derivatives, comprising notes, warrants and certificates including equity-linked, reverse convertible and market participation notes, with the proceeds of securities being used to enter into hedging arrangements with other JPMorgan Chase companies (which include JPMorgan Chase & Co. and its consolidated subsidiaries). Our ability to perform our obligations may therefore be affected by any inability or failure to perform obligations owed to us by other JPMorgan Chase companies.

**Our warrants are not rated, you should not solely rely on the guarantor’s ratings when investing in the warrants**

When evaluating the guarantor’s creditworthiness, you should not solely rely on the guarantor’s credit ratings because:

- (i) a credit rating is not a recommendation to buy, sell or hold the warrants;
- (ii) credit ratings of the guarantor may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence; and
- (iii) a high credit rating is not necessarily indicative of low risk. The guarantor’s credit ratings as set out in this document are for reference only. Any downgrading of the guarantor’s credit ratings could result in a reduction in the value of the warrants.

Rating agencies usually receive a fee from the entities that they rate.

**You have no rights in the underlying asset and the market price for our warrants may fluctuate differently from that of the underlying asset**

Our warrants are financial instruments issued by us and are separate from the underlying asset. You have no rights under our warrants against any company which issues or comprises the underlying asset of the relevant issue of warrants or the sponsor of any underlying asset that is an index. In addition, buying our warrants is not the same as buying the underlying asset or having a direct investment in the underlying asset. You will not be entitled to have voting rights, rights to receive dividends or distributions or any other rights under the underlying shares. As mentioned, there are many factors influencing the value and/or market price of warrants, which are leveraged instruments. For example, increases in the price or level of the underlying asset may not lead to an increase in the value and/or market price of our call warrants by a proportionate amount or even any increase at all; however, a decrease in the price or level of the underlying asset may lead to a greater than proportionate decrease in the value and/or market price of our call warrants. There is no assurance that a change in value and/or market price of our warrants will correspond in direction and/or magnitude with the change in price or level of the underlying asset. You should recognise the complexities of utilising our warrants to hedge against the market risk associated with investing in an underlying asset.

The issuer or the sponsor of the underlying asset will have no involvement in the offer and sale of our warrants and no obligation to you as investors in our warrants. The decisions made by them on corporate actions, such as a merger or sale of asset, or adjustment of the method for calculation of an index may also have adverse impact on the value and/or market price of our warrants.

**There could be conflicts of interest arising out of our other activities which may affect our warrants**

We, the guarantor and its subsidiaries and affiliates may engage in transactions (whether for their proprietary accounts, including hedging, or trading for accounts under management or otherwise) involving, as well as provide investment banking and other services to, any company underlying our warrants or their securities and may enter into transactions with the substantial shareholders of the underlying company. Those transactions may have a positive or negative impact on the price or level of the underlying asset and in turn the value and/or market price of our warrants. We, the guarantor and its subsidiaries and affiliates may have officers who serve as directors of any of the companies underlying our structured products. Our proprietary trading activities (which include hedging of our warrants) in the underlying securities or related structured products may affect the value and/or market price of the warrants. We or the guarantor may issue other competing financial products which may affect the value and/or market price of our warrants. You should also note that potential conflicts of interest may arise from the different roles played by us, the guarantor and its subsidiaries and affiliates in connection with our warrants and the economic interests in each role may be adverse to your interests in our warrants. We or the guarantor owe no duty to you to avoid such conflicts.

**We may early terminate our warrants due to illegality, force majeure or extraordinary reasons**

If we determine (in good faith) that our obligations under any warrants, or if we become aware that the guarantor's performance of its obligations under the guarantee, has become unlawful or impractical, we may (with necessary approvals from regulatory authorities) decide to terminate that issue of warrants early. If this happens, we or the guarantor will pay the holder of those warrants an amount determined by the agent in its sole and absolute discretion to be the fair market value of the warrants immediately prior to such termination less any unwinding cost or otherwise as specified in this supplemental listing document. Such fair market value of the warrants could be substantially less than the amount you invested and can be as low as zero.

**Liquidation of underlying company**

In the event of liquidation, dissolution or winding up of company that issues the underlying shares or the appointment of a receiver or administrator or analogous person, to the company, the relevant warrants shall lapse.

**Time lag between the time of exercise and the time of determination of the settlement amount may affect the settlement amount**

Upon exercising your warrants, there may be a time lag between the time of exercise and the time of determination of the settlement amount. Such delay could be significantly longer in the case of a market disruption event, delisting of the company that issues the underlying shares or other adjustment events. This may result in the settlement amount being zero.

**We may adjust the terms and conditions of our warrants upon the occurrence of certain corporate events or extraordinary events affecting the underlying asset**

We and/or the agent may determine that certain corporate events or extraordinary events affecting the underlying asset have occurred and may in our sole discretion make corresponding adjustments to the terms and conditions of our warrants, including adjustments (i) the exercise price of the warrants, (ii) the entitlement of the warrants, (iii) the composition of the underlying asset or (iv) any other terms of the warrants. Such events and/or adjustments (if any) may have adverse impact on the value and/or market price of our warrants.

However, we have no obligation to make an adjustment for every event that can affect the underlying asset. The value and/or market price of our warrants may be adversely affected by such events in the absence of an adjustment by us. If adjustments were made, we do not assure that such adjustments can negate any adverse impact of such events on the value and/or market price of our warrants.

**We may modify the terms and conditions of the warrants**

We may, without your consent, modify the terms and conditions applicable to the warrants if such modification is:

- (i) not materially prejudicial to your interest;
- (ii) of a formal, minor or technical nature;
- (iii) made to correct an obvious error;
- (iv) for compliance with law or regulations; or
- (v) considered by us or our agent to be appropriate and is approved by the Stock Exchange.

**Our determination of the occurrence of a market or settlement disruption event may affect the value and/or market price of our warrants**

We and/or the agent may determine that a market or settlement disruption event has occurred. Such determination may affect the value and/or market price of our warrants, and may delay settlement in respect of our warrants.

If the agent determines that a market disruption event exists, the valuation of the underlying asset for the purpose of calculating the cash settlement amount of our warrants may be postponed. Under certain circumstances, we and/or the agent may determine the good faith estimate of the value or level of the underlying asset that would have prevailed on the relevant valuation date but for such market disruption event.

**The implied volatility of our warrants may not reflect the actual volatility of the underlying asset**

The market price of our warrants is determined among other factors by the supply and demand of the warrants. This price “implies” a level of volatility in the underlying asset in the sense that such level of volatility would give a theoretical value for the warrant which is equal to that price; but such level of volatility may not be equal to the actual level of volatility of the underlying asset in the past or future.

### **Investment in our warrants may involve exchange rate risks and interest rate risks**

An investment in our warrants may involve exchange rate risks. For example, the underlying asset may be denominated in a currency other than that of our warrants, our warrants may be denominated in a currency other than the currency of your home jurisdiction and our warrants may settle in a currency other than the currency in which you wish to receive funds. Changes in the exchange rate(s) between the currency of the underlying asset, the currency in which our warrants settle and/or the currency of your home jurisdiction may adversely affect the return of your investment in our warrants. We cannot assure that current exchange rates at the issue date of our warrants will be representative of the future exchange rates used in computing the value of our warrants. Fluctuations in exchange rates may therefore affect the value of our warrants.

An investment in our warrants may also involve interest rate risk as the intrinsic value of a warrant may be sensitive to fluctuations in interest rates. Fluctuations in the short term or long term interest rates of the currency in which our warrants are settled or the currency in which the underlying asset is denominated may affect the value and/or market price of our warrants.

### **Please consult your tax advisers if you are in any doubt of your tax position**

You may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where our warrants are transferred and such laws and practices may change from time to time. If you are in any doubt of your tax position, you should consult your own independent tax advisers.

### **Our warrants are issued in global registered form; you have to rely on your brokers to evidence title to your investment and to receive notices and the cash settlement amount**

Our warrants are issued in global registered form and held on your behalf within a clearing system. This means that evidence of title to your interests, as well as the efficiency of ultimate delivery of the cash settlement amount, will be governed by the CCASS Rules.

Our warrants in global registered form will be registered in the name of HKSCC Nominees Limited (or its successors), which shall be treated by us as the warrant holder of our warrants for all purposes. This means that you will not receive definitive certificates and the register will record at all times that our warrants are being held by HKSCC Nominees Limited (or its successors). If you are a CCASS investor participant, you may hold your warrants in your account with CCASS. If you do not have a CCASS account, you will have to rely solely upon your brokers and the statements received from your brokers to evidence title to your investments. You will also have to rely on your brokers to effectively inform you of any notices, announcements and/or meetings issued or called by us (upon receipt by those brokers as CCASS participants of the same from CCASS and ultimately from us). The Listing Rules also provide that our obligations to deliver notices, announcements and/or meetings will be complied with by a posting on the HKEx's website. Our obligations to deliver any cash settlement amount to you will be duly performed by the delivery of any such amount to HKSCC Nominees Limited (or its successors) as the warrant holder. You will therefore have to rely on CCASS and/or your brokers for the ultimate delivery of any cash settlement amount to you as the investor.

### **There may be limitations on the number of warrants exercisable for a particular series**

In case of American style warrants, we may specify for a particular series of warrants the maximum number of warrants exercisable or the minimum number of warrants exercisable. You may not be able to exercise all the warrants that you may wish to exercise if the specified maximum number is exceeded, or you will have to sell your warrants or purchase additional warrants of the same series if the number of warrants you hold is fewer than the specified minimum number.

### **We and our guarantor do not give you any advice or credit analysis**

Neither we nor the guarantor is responsible for the lawfulness of your acquisition of our warrants. We and the guarantor are not giving you any advice or credit analysis of the underlying asset. You shall be deemed to have made a representation to such effect for each purchase of our warrants of any series.

## **Risk factors relating to the guarantor**

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

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

In JPMorgan Chase's wholesale businesses, the above-mentioned factors can affect transactions involving JPMorgan Chase's underwriting and advisory businesses; the realization of cash returns from its private equity business; the volume of transactions that JPMorgan Chase executes for its customers and, therefore, the revenue that JPMorgan Chase receives from commissions and spreads; and the willingness of financial sponsors or other investors to participate in loan syndications or underwritings managed by JPMorgan Chase.

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

The fees that JPMorgan Chase earns for managing third-party assets are also dependent upon general economic conditions. For example, a higher level of U.S. or non-U.S. interest rates or a downturn in securities markets could affect the valuations of the third-party assets that JPMorgan Chase manages or holds in custody, which, in turn, could affect JPMorgan Chase's revenue. Macroeconomic or market concerns may also prompt outflows from JPMorgan Chase's funds or accounts. Moreover, even in the absence of a market downturn, sub-par performance by JPMorgan Chase's investment management businesses could cause outflows of assets under management and, therefore, reduce the fees that JPMorgan Chase receives.

JPMorgan Chase's consumer businesses are particularly affected by domestic economic conditions, including U.S. interest rates; the rate of unemployment; housing prices; the level of consumer confidence; changes in consumer spending; and the number of personal bankruptcies. Any deterioration in these conditions can diminish demand for the products and services of JPMorgan Chase's consumer businesses, or increase the cost to provide such products and services. In addition, adverse economic conditions, such as declines in home prices or persistent high levels of unemployment, could lead to an increase in mortgage, credit card and other loan delinquencies and higher net charge-offs, which can reduce JPMorgan Chase's earnings.

### **If JPMorgan Chase does not effectively manage its liquidity, its business could suffer.**

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

The credit ratings of JPMorgan Chase & Co., JPMorgan Chase Bank, N.A. and Chase Bank USA, N.A. are important to maintaining JPMorgan Chase's liquidity. A reduction in their credit ratings could reduce JPMorgan Chase's access to debt markets or materially increase the cost of issuing debt, trigger additional collateral or funding requirements, and decrease the number of investors and counterparties willing or permitted, contractually or otherwise, to do business with or lend to JPMorgan Chase, thereby curtailing its business operations and reducing its profitability. Reduction in the ratings of certain SPEs or other entities to which JPMorgan Chase has funding or other commitments could also impair its liquidity where such ratings changes lead, directly or indirectly, to JPMorgan Chase being required to purchase assets or otherwise provide funding.

Critical factors in maintaining high credit ratings include a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, diverse funding sources, and disciplined liquidity monitoring procedures. Although JPMorgan Chase closely monitors and manages factors influencing its credit ratings, there is no assurance that such ratings will not be lowered in the future. Such downgrades may come at times of broader market instability, when JPMorgan Chase's options for responding to events are more limited and general investor confidence is low.

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

Some global regulators have proposed legislation or regulations requiring large banks to incorporate a separate subsidiary in every country in which they operate, and to maintain independent capital and liquidity for such subsidiaries. If adopted, these requirements could decrease JPMorgan Chase's ability to manage and increase the risk of its liquidity positions.

**JPMorgan Chase operates within a highly regulated industry and its business and results are significantly affected by the laws and regulations to which it is subject, including recently-adopted legislation and regulations.**

JPMorgan Chase is subject to regulation under state and federal laws in the United States, as well as the applicable laws of each of the various other jurisdictions outside the United States in which JPMorgan Chase does business. These laws and regulations affect the way that JPMorgan Chase does business, may restrict the scope of its existing businesses, limit its ability to expand its product offerings or pursue acquisitions, or make offering its products to clients more expensive.

Extensive legislation affecting the financial services industry has recently been adopted in the United States and in other jurisdictions, and regulations are in the process of being implemented. In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act was adopted in 2010 and will effect significant structural reforms to the financial services industry. This legislation provides for, among other things: the establishment of a Bureau of Consumer Financial Protection which will have broad authority to regulate the credit, savings, payment and other consumer financial products and services that JPMorgan Chase offers; the creation of a structure to regulate systemically important financial companies, and provide regulators with the power to require such companies to sell or transfer assets and terminate activities if the regulators determine that the size or scope of activities of the company pose a threat to the safety and soundness of the company or the financial stability of the United States; more comprehensive regulation of the over-the-counter derivatives market, including providing for higher capital and margin requirements, the central clearing of standardized over-the-counter derivatives, and heightened supervision of all over-the-counter derivatives dealers and major market participants, including JPMorgan Chase; so-called "push out" provisions that could require JPMorgan Chase to significantly restructure or restrict its derivatives businesses, change the legal entities through which such businesses are conducted, or limit JPMorgan Chase's ability to manage collateral, margin and other risks; prohibitions on JPMorgan Chase engaging in certain proprietary trading activities and restricting its ownership of, investment in or sponsorship of, hedge funds and private equity funds; restrictions on

the interchange fees that JPMorgan Chase earns on debit card transactions; and a requirement that bank regulators phase out the treatment of trust preferred capital debt securities as Tier 1 capital for regulatory capital purposes.

The European Union (“EU”) has created a European Systemic Risk Board to monitor financial stability and implemented rules that will increase capital requirements for certain trading instruments or exposures and impose compensation limits on certain employees located in affected countries. In addition, the EU Commission is considering a wide array of other initiatives, including new legislation that will affect derivatives trading, impose surcharges on “globally” systemically important firms and possibly impose new levies on bank balance sheets.

The Basel Committee on Banking Supervision announced in December 2010 revisions to its Capital Accord, which will require higher capital ratio requirements for banks, narrow the definition of capital, and introduce short term liquidity and term funding standards, among other things. Also being considered is the imposition of a bank surcharge on institutions that are determined to be “globally significant financial institutions”. These requirements could increase JPMorgan Chase’s funding and operational costs.

These and any additional legislative or regulatory actions in the United States or other countries, and any required changes to JPMorgan Chase’s business operations resulting from such legislation and regulations, could result in significant loss of revenue, limit JPMorgan Chase’s ability to pursue business opportunities in which it might otherwise consider engaging, affect the value of assets that JPMorgan Chase holds, require JPMorgan Chase to increase its prices and therefore reduce demand for its products, impose additional costs on JPMorgan Chase, or otherwise adversely affect JPMorgan Chase’s businesses. Accordingly, JPMorgan Chase cannot provide assurance that any such new legislation or regulations would not have an adverse effect on its business, results of operations or financial condition in the future.

If JPMorgan Chase does not comply with current or future legislation and regulations that apply to its operations, it may be subject to fines, penalties or material restrictions on its businesses in the jurisdiction where the violation occurred. In recent years, regulatory oversight and enforcement have increased substantially, imposing additional costs and increasing the potential risks associated with JPMorgan Chase’s operations. As this regulatory trend continues, it could adversely affect JPMorgan Chase’s operations and, in turn, its financial results.

**The financial condition of JPMorgan Chase’s customers, clients and counterparties, including other financial institutions, could adversely affect JPMorgan Chase.**

If the current economic environment were to deteriorate, more of JPMorgan Chase’s customers may become delinquent on their loans or other obligations to JPMorgan Chase which, in turn, could result in a higher level of charge-offs and provision for credit losses, or in requirements that JPMorgan Chase purchase assets from or provide other funding to its clients and counterparties, any of which could adversely affect JPMorgan Chase’s financial condition. Moreover, a significant deterioration in the credit quality of one of JPMorgan Chase’s counterparties could lead to concerns in the market about the credit quality of other counterparties in the same industry, thereby exacerbating JPMorgan Chase’s credit risk exposure, and increasing the losses (including mark-to-market losses) that JPMorgan Chase could incur in its trading and clearing businesses.

Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. JPMorgan Chase routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Many of these transactions expose JPMorgan Chase to credit risk in the event of a default by the counterparty or client, which can be exacerbated during periods of market illiquidity. During such periods, JPMorgan Chase’s credit risk also may be further increased when the collateral held by JPMorgan Chase cannot be realized upon or is liquidated at prices that are not sufficient to recover the full amount of the loan, derivative or other exposure due to it. In addition, disputes with counterparties as to the valuation of collateral significantly increase in times of market stress and illiquidity. Periods of illiquidity, as experienced in 2008 and early 2009, may occur again and could produce losses if JPMorgan Chase is unable to realize upon collateral or manage declines in the value of collateral.

**Concentration of credit and market risk could increase the potential for significant losses.**

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

In addition, increased concentration within JPMorgan Chase's securities or loan portfolios, or in other positions that JPMorgan Chase may hold, may occur for reasons outside of JPMorgan Chase's control. Disruptions in the liquidity or transparency of the financial markets may result in JPMorgan Chase's inability to sell, syndicate or realize upon its positions, thereby leading to increased concentrations. The inability to reduce JPMorgan Chase's positions not only increases the market and credit risks associated with such positions, but also increases the level of risk-weighted assets on JPMorgan Chase's balance sheet, thereby increasing its capital requirements and funding costs, all of which could adversely affect the operations and profitability of JPMorgan Chase's businesses.

**JPMorgan Chase's framework for managing risks may not be effective in mitigating risk and loss to it.**

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

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

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

Many of JPMorgan Chase's hedging strategies and other risk management techniques have a basis in historical market behavior, and all such strategies and techniques are based to some degree on management's subjective judgment. For example, many models used by JPMorgan Chase are based on assumptions regarding correlations among prices of various asset classes or other market indicators. In times of market stress, or in the event of other unforeseen circumstances, previously uncorrelated indicators may become correlated, or conversely, previously correlated indicators may make unrelated movements. These sudden market movements or unanticipated or unidentified market or economic movements have in some circumstances limited the effectiveness of JPMorgan Chase's risk management strategies, causing JPMorgan Chase to incur losses. JPMorgan Chase cannot provide assurance that its risk management framework, including its underlying assumptions or strategies, will at all times be accurate and effective.

**JPMorgan Chase's operations are subject to risk of loss from unfavorable economic, monetary, political, legal and other developments in the United States and around the world.**

JPMorgan Chase's businesses and earnings are affected by the fiscal and other policies that are adopted by various U.S. and non-U.S. regulatory authorities and agencies. The Federal Reserve Board regulates the supply of money and credit in the United States and its policies determine in large part the cost of funds for lending and investing in the United States and the return earned on those loans and investments. The market impact from such policies can also materially decrease the value of financial assets that JPMorgan Chase holds, such as mortgage servicing rights ("MSRs"). Federal Reserve Board policies also can adversely affect JPMorgan Chase's borrowers and counterparties, potentially increasing the risk that they may fail to repay their loans or satisfy their obligations to JPMorgan Chase. Changes in Federal Reserve Board policies (as well as the fiscal and monetary policies of non-U.S. central banks or regulatory authorities and agencies) are beyond JPMorgan Chase's control and, consequently, the impact of changes in these policies on JPMorgan Chase's activities and results of operations is difficult to predict.

JPMorgan Chase's businesses and revenue are also subject to risks inherent in investing and trading in securities of companies worldwide. These risks include, among others, risk of loss from unfavorable political, legal or other developments, including social or political instability, expropriation, nationalization, confiscation of assets, price controls, capital controls, exchange controls, and changes in laws and regulations. Crime, corruption, war or military actions, acts of terrorism and a lack of an established legal and regulatory framework are additional challenges in certain emerging markets.

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

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

Further, various countries in which JPMorgan Chase operates or invests, or in which it may do so in the future, have in the past experienced severe economic disruptions particular to that country or region, including extreme currency fluctuations, high inflation, or low or negative growth, among other negative conditions. In 2010, concerns were raised about certain European countries, including Greece, Ireland, Italy, Portugal and Spain, regarding perceived weaknesses in their economic and fiscal condition, and how such weaknesses might affect other economies as well as financial institutions, including JPMorgan Chase, which lent funds to or did business with or in those countries. There is always the chance that economic disruptions in other countries, even in countries in which JPMorgan Chase does not conduct business or have operations, will adversely affect JPMorgan Chase.

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

In connection with the sale and securitization of loans (whether with or without recourse), the originator is generally required to make a variety of representations and warranties regarding both the originator and the loans being sold or securitized. JPMorgan Chase and some of its subsidiaries, including those acquired through the Bear Stearns merger and the Washington Mutual transaction, have made such representations and warranties in connection with the sale and securitization of loans, and JPMorgan Chase will continue to do so when it securitizes loans it has originated. If a loan that does not comply with such representations or warranties is sold or securitized, JPMorgan Chase may be obligated to repurchase the loan and incur any associated loss directly, or it may be obligated to indemnify the purchaser against any such losses. In 2010, the costs of repurchasing mortgage loans that had been sold to government agencies such as Fannie Mae and Freddie Mac (the "GSEs") increased substantially, and there is no assurance that such costs could not continue to increase substantially in the future. Accordingly, repurchase or indemnity obligations to the GSEs or to private third-party purchasers could materially and adversely affect JPMorgan Chase's results of operations and earnings in the future.

The repurchase liability that JPMorgan Chase records with respect to its loan repurchase obligations is estimated based on several factors, including the level of current and estimated probable future repurchase demands made by purchasers, JPMorgan Chase's ability to cure the defects identified in the repurchases demands, and the severity of loss upon repurchase or foreclosure. While JPMorgan Chase believes that its current repurchase liability reserves are adequate, the factors referred to above are subject to change in light of market developments, the economic environment and other circumstances. Accordingly, such reserves may be increased in the future.

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

**JPMorgan Chase may incur additional costs and expenses in ensuring that it satisfies requirements relating to mortgage foreclosures.**

In late September 2010, JPMorgan Chase commenced implementation of a temporary suspension of obtaining mortgage foreclosure judgments in the states and territories that require a judicial foreclosure process. Subsequently, JPMorgan Chase extended this temporary suspension to foreclosure sales in those states and territories that require a judicial foreclosure process, and to foreclosures and foreclosure sales in the majority of remaining states where a judicial process is not required, but where an affidavit signed by JPMorgan Chase personnel may have been used as part of the foreclosure process. In mid-October, JPMorgan Chase also temporarily suspended evictions in the states and territories in which JPMorgan Chase had suspended foreclosures and foreclosure sales, as well as in certain additional states in which an affidavit signed by JPMorgan Chase personnel may have been used in connection with eviction proceedings.

This temporary suspension arose out of questions about affidavits of indebtedness prepared by local foreclosure counsel, signed by JPMorgan Chase employees, and filed or used in mortgage foreclosure proceedings in certain states. Based on its work to date, JPMorgan Chase believes that the information in those affidavits of indebtedness about the fact of default and amount of indebtedness was materially accurate. However, the underlying review and verification of this information was performed by personnel other than the affiants, or the affidavits may not have been properly notarized. JPMorgan Chase has since resumed filing new foreclosure actions in most of the states in which JPMorgan Chase had previously halted such actions, using revised procedures in connection with the execution of the affidavits and other documents that may be used in the foreclosure process, and JPMorgan Chase intends to resume filing new foreclosure actions in all remaining states. JPMorgan Chase is also in the process of reviewing pending foreclosure matters to determine whether the remediation of previously filed affidavits or other documents is necessary, and JPMorgan Chase intends to resume pending foreclosure proceedings as the review, and if necessary, remediation, of each pending matter is completed.

JPMorgan Chase expects to incur additional costs and expenses in connection with its efforts to correct and enhance its mortgage foreclosure procedures. Multiple state and federal officials in the United States have announced investigations into the procedures followed by mortgage servicing companies and banks, including JPMorgan Chase and its affiliates, relating to foreclosure and loss mitigation processes. JPMorgan Chase is cooperating with these investigations, and these investigations could result in material fines, penalties, equitable remedies (including requiring default servicing or other process changes), or other enforcement actions, as well as significant legal costs in responding to governmental investigations and additional litigation. JPMorgan Chase cannot predict the ultimate outcome of these matters or the impact that they could have on JPMorgan Chase's financial results.

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

JPMorgan Chase engages in the storage, transportation, marketing or trading of several commodities, including metals, agricultural products, crude oil, oil products, natural gas, electric power, emission credits, coal, freight, and related products and indices. JPMorgan Chase is also engaged in power generation and has invested in companies engaged in wind energy and in sourcing, developing and trading emission reduction credits. As a result of all of these activities, JPMorgan Chase is subject to extensive and evolving energy, commodities, environmental, and other governmental laws and regulations.

JPMorgan Chase expects laws and regulations affecting its commodities activities to expand in scope and complexity, and to restrict some of its activities, which could result in lower revenues from JPMorgan Chase's commodities activities. In addition, JPMorgan Chase may incur substantial costs in complying with current or future laws and regulations, and the failure to comply with these laws and regulations may result in substantial civil and criminal fines and penalties. Furthermore, liability may be incurred without regard to fault under certain environmental laws and regulations for remediation of contaminations.

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

**Damage to JPMorgan Chase's reputation could damage its businesses.**

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

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

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

JPMorgan Chase's businesses are dependent on JPMorgan Chase's ability to process, record and monitor a large number of complex transactions. If JPMorgan Chase's financial, accounting, or other data processing systems fail or have other significant shortcomings, JPMorgan Chase could be materially adversely affected. JPMorgan Chase is similarly dependent on its employees. JPMorgan Chase could be materially adversely affected if one of its employees causes a significant operational break-down or failure, either as a result of human error or where an individual purposefully sabotages or fraudulently manipulates JPMorgan Chase's operations or systems. Third parties with which JPMorgan Chase does business could also be sources of operational risk to JPMorgan Chase, including relating to breakdowns or failures of such parties' own systems or employees. Any of these occurrences could diminish JPMorgan Chase's ability to operate one or more of its businesses, or result in potential liability to clients, increased operating expenses, higher litigation costs (including fines and sanctions), reputational damage, regulatory intervention or weaker competitive standing, any of which could materially adversely affect JPMorgan Chase.

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

JPMorgan Chase may be subject to disruptions of its operating systems arising from events that are wholly or partially beyond JPMorgan Chase's control, which may include, for example, computer viruses, electrical or telecommunications outages, failures of computer servers or other damage to JPMorgan Chase's property or assets; natural disasters; health emergencies or pandemics; or events arising from local or larger scale political events, including terrorist acts. Such disruptions may give rise to losses in service to customers and loss or liability to JPMorgan Chase.

In a firm as large and complex as JPMorgan Chase, lapses or deficiencies in internal control over financial reporting may occur from time to time, and there is no assurance that significant deficiencies or material weaknesses in internal controls may not occur in the future. As processes are changed, or new products and services are introduced, JPMorgan Chase may not fully appreciate or identify new operational risks that may arise from such changes. In addition, there is the risk that JPMorgan Chase's controls and procedures as well as business continuity and data security systems could prove to be inadequate. Any such failure could adversely affect JPMorgan Chase's business and results of operations by requiring JPMorgan Chase to expend significant resources to correct the defect, as well as by exposing JPMorgan Chase to litigation, regulatory fines or penalties or losses not covered by insurance.

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

JPMorgan Chase is named as a defendant or is otherwise involved in various legal proceedings, including class actions and other litigation or disputes with third parties, as well as investigations or proceedings brought by regulatory agencies. Actions brought against JPMorgan Chase may result in judgments, settlements, fines, penalties or other results adverse to it, which could materially adversely affect JPMorgan Chase's business, financial condition or results of operations, or cause serious reputational harm to JPMorgan Chase. As a participant in the financial services industry, it is likely that JPMorgan Chase will continue to experience a high level of litigation and regulatory scrutiny and investigations related to its businesses and operations. The financial services industry is highly competitive, and JPMorgan Chase's inability to compete successfully may adversely affect its results of operations.

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

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

Competitors include other banks, brokerage firms, investment banking companies, merchant banks, hedge funds, commodity trading companies, private equity firms, insurance companies, mutual fund companies, credit card companies, mortgage banking companies, trust companies, securities processing companies, automobile financing companies, leasing companies, e-commerce and other Internet-based companies, and a variety of other financial services and advisory companies. Technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. JPMorgan Chase's businesses generally compete on the basis of the quality and variety of JPMorgan Chase's products and services, transaction execution, innovation, reputation and price. Ongoing or increased competition in any one or all of these areas may put downward pressure on prices for JPMorgan Chase's products and services or may cause JPMorgan Chase to lose market share. Increased competition also may require JPMorgan Chase to make additional capital investments in its businesses in order to remain competitive. These investments may increase expense or may require JPMorgan Chase to extend more of its capital on behalf of clients in order to execute larger, more competitive transactions. JPMorgan Chase cannot provide assurance that the significant competition in the financial services industry will not materially adversely affect its future results of operations.

**JPMorgan Chase’s acquisitions and the integration of acquired businesses may not result in all of the benefits anticipated.**

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

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

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

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

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

Pursuant to accounting principles generally accepted in the United States, JPMorgan Chase is required to use certain assumptions and estimates in preparing its financial statements, including in determining credit loss reserves, mortgage repurchase liability and reserves related to litigations, among other items. Certain of JPMorgan Chase’s financial instruments, including trading assets and liabilities, available-for-sale securities, certain loans, MSRs, private equity investments, structured notes and certain repurchase and resale agreements, among other items, require a determination of their fair value in order to prepare JPMorgan Chase’s financial statements. Where quoted market prices are not available, JPMorgan Chase may make fair value determinations based on internally developed models or other means which ultimately rely to some degree on management judgment. Some of these and other assets and liabilities may have no direct observable price levels, making their valuation particularly subjective, as they are based on significant estimation and judgment. In addition, sudden illiquidity in markets or declines in prices of certain loans and securities may make it more difficult to value certain balance sheet items, which may lead to the possibility that such valuations will be subject to further change or adjustment. If assumptions or estimates underlying its financial statements are incorrect, JPMorgan Chase may experience material losses.

**JPMorgan Chase Bank, N.A. is affected by risks affecting its parent company.**

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

## LIQUIDITY PROVIDER

### Who will act as liquidity provider for the warrants?

We are required under the Stock Exchange's Listing Rules to provide liquidity for the warrants. We have appointed our affiliate, J.P. Morgan Broking (Hong Kong) Limited (Broker ID Number: 9511; telephone number 2800 7878) acting in the capacity of an agent, as the liquidity provider for the warrants. J.P. Morgan Broking (Hong Kong) Limited is a direct wholly owned subsidiary of J.P. Morgan Securities (Far East) Limited, which is an indirect subsidiary of the guarantor. The liquidity provider is a Stock Exchange participant (Exchange Participant) and its conduct is regulated by the Stock Exchange and the SFC.

### What will the liquidity provider do?

The liquidity provider has agreed to conduct market making activities for the warrants by responding to requests for bid and offer quotes. These market making activities will provide liquidity in the market for the warrants and facilitate the purchase and sale of warrants. You may request a quote from the liquidity provider by calling the telephone number 2800 7878. The liquidity provider will respond to such request within 15 minutes from the request. All quotes will be displayed on the relevant stock page for the warrants in the Stock Exchange's trading system. The liquidity provider will only make a market for a minimum of ten board lots of warrants.

In determining any bid or offer price for the warrants, we and/or the liquidity provider on our behalf may take into account factors such as:

- price of the underlying shares or units or price of the underlying shares or units comprising the index and/or the relevant index futures contracts;
- dividend expectations;
- exercise price;
- time to expiry;
- prevailing interest rates; and
- expected volatility of the underlying shares or units or price of the underlying shares or units comprising the index over the remaining time to expiry of the warrants.

The warrant prices displayed by the liquidity provider will be calculated by a mathematical model, taking into account any or all of the above factors.

Except for the circumstances listed below, the liquidity provider will provide quotes with a maximum of a 25 tick spread between the bid and offer prices of the warrants, adjusted (if necessary) for the entitlement, for a minimum of ten board lots. However, under normal market conditions, the liquidity provider expects to display quotes significantly better than this maximum.

The liquidity provider may not be able to quote prices for the warrants in any of the following circumstances:

- (i) during the first 5 minutes of each morning trading session or the first 5 minutes after trading commences for the first time on any business day;
- (ii) during each pre-opening session or each closing auction session (if any) or any other circumstances as may be prescribed by the Stock Exchange from time to time;
- (iii) from the 5th business day immediately preceding the expiry date of the warrants;
- (iv) if the underlying shares, units or the warrants are suspended from trading in accordance with the conditions;
- (v) if we, at our sole and absolute determination, determine that our group as a whole does not have sufficient warrants to conduct effective market making activities, we expect the liquidity provider to continue to display bid prices only;
- (vi) if we, at our sole and absolute determination, determine that the theoretical bid/offer price is less than HK\$0.01 (if the liquidity provider chooses to provide liquidity under this circumstance, both bid and offer prices will be made available);
- (vii) if the liquidity provider's relevant system(s) are disrupted in a way that hinders its ability to continue market making activities (we will try to appoint an alternate liquidity provider or use our best endeavours to make alternate arrangements to provide liquidity in such circumstances);
- (viii) when we, at our sole and absolute determination, determine that it is unduly burdensome for us or our affiliates to enter into an effective hedge for the warrants. For example, the existence of any laws, regulations, rules or any other restrictions or circumstances that restrict our or our affiliate's ability to borrow, lend, buy or sell the underlying shares or units or the shares or units comprising the index or the relevant index futures contracts or any other rules or regulations relating to the short selling of securities, such as the Stock Exchange's "uptick rule"; or
- (ix) under any circumstances outside of our or the liquidity provider's control that make it unduly burdensome for the liquidity provider to conduct effective market making activities including, but not limited to, where the nominal price of the shares is highly volatile over a short period of time or where a change in the applicable law or the rules or practice of the Stock Exchange makes it illegal for the liquidity provider to continue its market making activities.

## **STATUTORY AND GENERAL INFORMATION ABOUT US AND THE GUARANTOR**

### **Statutory consents**

As a national banking association organised under the federal laws of the United States of America, the guarantor is empowered to give guarantees. Each issue of warrants will have the benefit of the guarantee.

### **No material adverse change and litigation**

Save as disclosed in our base listing document, the supplemental disclosure document and this supplemental listing document, there has been no material adverse change in our or the guarantor's financial position since the date of the most recently published audited financial statements of the guarantor on a consolidated basis or of the issuer respectively, as the case may be, that would have a material adverse effect on our ability to perform our obligations, or the guarantor's ability to perform its obligations respectively in the context of the issue of warrants.

Save as disclosed in our base listing document, the supplemental disclosure document and this supplemental listing document, we and the guarantor are not aware, to the best of our and the guarantor's knowledge and belief, of any claims, litigation or arbitration proceedings pending or threatened against us or the guarantor respectively or that we or the guarantor are respectively involved in, which could have (taking into consideration the amounts involved and the likelihood of success of such proceedings) a material adverse effect on our ability to perform our obligations, or the guarantor's ability to perform its obligations respectively in the context of the issue of warrants.

### **Financial information about the issuer and the guarantor**

PricewaterhouseCoopers Accountants N.V., our auditors, have given and have not withdrawn their written consent to the inclusion in the base listing document of their report dated 30 March 2011 (which relates to our financial statements for the year ended 31 December 2010) in the form and context in which they are included. Their report was not prepared for the purposes of the base listing document.

PricewaterhouseCoopers LLP, USA, auditors of the guarantor, have given and have not withdrawn their written consent to the inclusion in the base listing document of their report dated 24 March 2011 (which relates to the guarantor's audited financial statements for the year ended 31 December 2010 comprising consolidated balance sheets at 31 December 2010 and 2009 and the related consolidated statements of income, changes in stockholder's equity, comprehensive income and cash flows for each of the three years ended 31 December 2010) in the form and context in which they are included. Their report was not prepared exclusively for incorporation in the base listing document.

Neither PricewaterhouseCoopers Accountants N.V. nor PricewaterhouseCoopers LLP, USA has any shareholding in us or the guarantor or any of the guarantor's subsidiaries nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of the guarantor or any of the guarantor's subsidiaries.

## **PARTIES**

### **Issuer**

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### **Liquidity Provider**

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### **Legal Advisers**

**to the Issuer and the Guarantor**  
(as to Hong Kong Law)

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### **Issuer's Auditors**

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