

(incorporated as a stock corporation under the laws of the Federal Republic of Germany and registered with the Commercial Register at the Local Court (*Amtsgericht*) in Munich under number HRB 42148)

**UniCredit International Bank (Luxembourg) S.A.**

(incorporated as a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg, having its registered office at 8-10, rue Jean Monnet, L-2180 Luxembourg and registered with the Luxembourg trade and companies register under number B.103.341)

guaranteed by



**UniCredit S.p.A.**

(incorporated with limited liability as a Società per Azioni in the Republic of Italy under registered number 00348170101)  
in the case of Securities issued by UniCredit International Bank (Luxembourg) S.A.

**Base Prospectus  
for the issuance  
of Fund-linked Securities  
under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit  
Bank AG and the Euro 1,000,000,000 Debt Issuance Programme of  
UniCredit International Bank (Luxembourg) S.A.**

**23 October 2015**

In accordance with the Luxembourg law relating to securities prospectuses dated 10 July 2005 as amended (*loi relative aux prospectus pour valeurs mobilières*) (the "**Luxembourg Prospectus Act**"), this Base Prospectus was approved by the *Commission de Surveillance du Secteur Financier* ("**CSSF**") as the competent authority in Luxembourg (the "**Competent Authority**") in accordance with the Luxembourg Prospectus Act. In accordance with Article 7 (7) of the Luxembourg Prospectus Act, by approving this Base Prospectus, the CSSF gives no assurances relating to the economic and financial suitability of the transaction and the quality or solvency of the Issuers.

This document constitutes a base prospectus (the "**Base Prospectus**") according to Art. 5 (4) of the Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") in connection with the Commission Regulation (EC) No 809/2004, as amended for the issuance of fund-linked securities (the "**Securities**") issued from time to time by UniCredit Bank AG ("**UniCredit Bank**" or "**HVB**") under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG and UniCredit International Bank (Luxembourg) S.A. ("**UniCredit International Luxembourg**") under the Euro 1,000,000,000 Debt Issuance Programme of UniCredit International Bank (Luxembourg) S.A. (each an "**Issuer**" and together the "**Issuers**") (each a "**Programme**"). The payment of all amounts due in respect of the securities issued by UniCredit International Luxembourg (the "**Guaranteed Securities**") will be guaranteed by UniCredit S.p.A. ("**UniCredit**" or the "**Guarantor**").

The purpose of this Base Prospectus is the offer to the public and/or the admission to trading of the Securities described herein. This Base Prospectus is to be read together with the information provided in (a) the registration document of UniCredit Bank AG dated 24 April 2015 (the "**Registration Document**"), whose information is incorporated herein by reference, (b) the supplements to this Base Prospectus, if any (the "**Supplements**"), (c) the 60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 15 June 2015 (the "**EMTN Programme**") and any supplements thereto, (d) all other documents whose information is incorporated herein by reference (see "General Information– Information incorporated by reference in this Base Prospectus" below) as well as (e) the respective Final Terms of the Securities (the "**Final Terms**").

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers. Neither this Base Prospectus nor any other information supplied in connection with the Programme is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Guarantor, that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Securities. Potential investors should note that an investment in the Securities is only suitable for investors, who understand the nature of such Securities and the extent of their exposure to risk and have sufficient knowledge, experience and access to professional advisors (including their financial, legal and tax advisors) in order to form their own legal, tax and financial opinion upon the existing risks of such investments in such Securities.

Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuers or the Guarantor to any person to subscribe for or to purchase any Securities. The delivery of this Base Prospectus does not imply that the information contained herein concerning the Issuers or the Guarantor is correct at any time subsequent to the date of this Base Prospectus or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Issuers will be obliged to supplement this Base Prospectus. Investors should read *inter alia* the most recent non-consolidated or consolidated financial statements and interim reports, if any, of the Issuers and the Guarantor when deciding whether or not to purchase any Securities.

The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Securities come must inform themselves about any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the United States of America and on the offer or sale of the Securities in the European Economic Area (see "General Information – Selling Restrictions" below). The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States of America or to U.S. persons (see "General Information – Selling Restrictions" below).

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## SUMMARY

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

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

Even though an Element may be required to be inserted in the Summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary with the specification of 'Not applicable'.

### A. INTRODUCTION AND WARNINGS

A.1	Warning	<p>This Summary should be read as an introduction to the Base Prospectus (the "<b>Base Prospectus</b>") for the issue of Fund-linked Securities (the "<b>Securities</b>") under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG ("<b>UniCredit Bank</b>", the "<b>Issuer</b>") or "<b>HVB</b>") and Euro 1,000,000,000 Debt Issuance Programme of UniCredit International Bank (Luxembourg) S.A. ([the "<b>Issuer</b>" or] "<b>UniCredit International Luxembourg</b>").</p> <p>Any decision to invest in the Securities should be based on consideration of the Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, or it does not provide, when read together with the other parts of the Base Prospectus, all necessary key information in order to aid investors when considering whether to invest in the Securities.</p>
A.2	<p>Consent to the use of the base prospectus</p> <p>Indication of the offer period</p>	<p>[Subject to the following paragraphs, the Issuer [and the Guarantor] give[s] [its][their] consent to the use of the Base Prospectus during the term of its validity for subsequent resale or final placement of the Securities by financial intermediaries.]</p> <p>[Not applicable. The Issuer [and the Guarantor] [does] [do] not give[s] [its][their] consent to the use of the Base Prospectus for subsequent resale or final placement of the Securities by financial intermediaries.]</p> <p>[Resale or final placement of the Securities by financial intermediaries can be made and consent to use the Base Prospectus is given for [the following offer period of the Securities: <i>[Insert offer period for which consent is given]</i>] [the period of the validity of the Base Prospectus].]</p> <p>[Not applicable. No consent is given.]</p>
	Other conditions attached to the consent	<p>[The Issuer's [and the Guarantor's] consent to the use of the Base Prospectus is subject to the condition that each financial intermediary complies with the applicable selling restrictions as well as the terms and conditions of the offer.</p> <p>[Moreover, the Issuer's [and the Guarantor's] consent to the use of the Base Prospectus is subject to the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the Securities. This commitment is made by the publication of the financial intermediary on its website stating that the prospectus is used with the consent of the Issuer [and of the Guarantor] and subject to the con-</p>

		ditions set forth with the consent.] Besides, the consent is not subject to any other conditions.] [Not applicable. No consent is given.]
	Provision of terms and conditions of the offer by financial intermediary	<b>[Information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.]</b> [Not applicable. No consent is given.]

## B. ISSUER [AND GUARANTOR]

B.1	Legal and commercial name	UniCredit Bank AG (together with its consolidated subsidiaries, the " <b>HVB Group</b> ") is the legal name. HypoVereinsbank is the commercial name.									
B.2	Domicile / Legal form / Legislation / Country of incorporation	UniCredit Bank has its registered office at Kardinal-Faulhaber-Straße 1, 80333 Munich, was incorporated in Germany and is registered with the Commercial Register at the Local Court ( <i>Amtsgericht</i> ) in Munich under number HRB 42148 incorporated as a stock corporation under the laws of the Federal Republic of Germany.									
B.4b	Known trends affecting the issuer and the industries in which it operates	The performance of HVB Group will depend on the future development on the financial markets and the real economy in 2015 as well as other remaining imponderables. In this environment, HVB Group will continuously adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived therefrom on a regular basis.									
B.5	Description of the group and the issuer's position within the group	UniCredit Bank is the parent company of HVB Group. HVB Group holds directly and indirectly equity participations in various companies. UniCredit Bank has been an affiliated company of UniCredit S.p.A., Rome (" <b>UniCredit S.p.A.</b> ", and together with its consolidated subsidiaries, " <b>UniCredit</b> ") since November 2005 and hence a major part of UniCredit from that date as a sub-group. UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.									
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate is made.									
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable; Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft, the independent auditor ( <i>Wirtschaftsprüfer</i> ) of UniCredit Bank, has audited the consolidated financial statements ( <i>Konzernabschluss</i> ) of HVB Group for the financial year ended 31 December 2013 and for the financial year ended 31 December 2014 and the financial statement ( <i>Einzelabschluss</i> ) of UniCredit Bank for the financial year ended 31 December 2014 and has in each case issued an unqualified audit opinion thereon.									
B.12	Selected historical key financial information	<p><b>Consolidated Financial Highlights as of 31 December 2014*</b></p> <table border="1"> <thead> <tr> <th>Key performance indicators</th> <th>1/1/2014 – 31/12/2014</th> <th>1/1/2013 – 31/12/2013</th> </tr> </thead> <tbody> <tr> <td>Net operating profit<sup>1)</sup></td> <td>€892m</td> <td>€1,823m</td> </tr> <tr> <td>Profit before tax<sup>1)</sup></td> <td>€1,083m</td> <td>€1,439m</td> </tr> </tbody> </table>	Key performance indicators	1/1/2014 – 31/12/2014	1/1/2013 – 31/12/2013	Net operating profit <sup>1)</sup>	€892m	€1,823m	Profit before tax <sup>1)</sup>	€1,083m	€1,439m
Key performance indicators	1/1/2014 – 31/12/2014	1/1/2013 – 31/12/2013									
Net operating profit <sup>1)</sup>	€892m	€1,823m									
Profit before tax <sup>1)</sup>	€1,083m	€1,439m									

	Consolidated profit <sup>1)</sup>	€785m	€1,062m
	Earnings per share <sup>1)</sup>	€0.96	€1.27
	<b>Balance sheet figures</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
	Total assets	€300,342 m	€290,018m
	Shareholders' equity	€20,597 m	€21,009m
	<b>Key capital ratios</b>	<b>31/12/2014 Basel III</b>	<b>31/12/2013 Basel II</b>
	Common Equity Tier 1 capital	€18,993m	--
	Core capital (Tier 1 capital)	€18,993m	€18,456m
	Risk-weighted assets (including equivalents for market risk and operational risk)	€85.7bn	€85.5bn
	CET 1 capital ratio <sup>2)</sup>	22.1%	--
	Core capital ratio without hybrid capital (core Tier 1 ratio) <sup>2)</sup>	--	21.5%
	Tier 1 capital ratio <sup>2)</sup>	22.1%	21.6%
	<p>* Figures shown in this table are audited and taken from the consolidated financial statements of HVB Group for the financial year ended 31 December 2014.</p> <p><sup>1)</sup> without discontinued operation</p> <p><sup>2)</sup> calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.</p>		
	<b>Consolidated Financial Highlights as of 30 June 2015*</b>		
	<b>Key performance indicators</b>	<b>1/1/2015 – 30/06/2015</b>	<b>1/1/2014 – 30/06/2014</b>
	Net operating profit	€491m	€386m
	Profit before tax	€490m	€499m
	Consolidated profit (from continuing operations)	€326m	€324m
	Earnings per share (full HVB Group)	€0.40	€0.41
	<b>Balance sheet figures</b>	<b>30/06/2015</b>	<b>31/12/2014</b>
	Total assets	€313,672m	€300,342m
	Shareholders' equity	€20,335m	€20,597m
	<b>Key capital ratios</b>	<b>30/06/ 2015 Basel III</b>	<b>31/12/ 2014 Basel III</b>

		<table border="1"> <tr> <td>Common Equity Tier 1 capital</td> <td>€19,030m</td> <td>€18,993m</td> </tr> <tr> <td>Core capital (Tier 1 capital)</td> <td>€19,030m</td> <td>€18,993m</td> </tr> <tr> <td>Risk-weighted assets (including equivalents for market risk and operational risk)</td> <td>€81,325m</td> <td>€85,768m</td> </tr> <tr> <td>CET capital ratio<sup>1)</sup></td> <td>23.4%</td> <td>22.1%</td> </tr> </table> <p>* Figures shown in this table are unaudited and taken from the Issuer's half-yearly financial report as of 30 June 2015</p> <p><sup>1)</sup> Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.</p>	Common Equity Tier 1 capital	€19,030m	€18,993m	Core capital (Tier 1 capital)	€19,030m	€18,993m	Risk-weighted assets (including equivalents for market risk and operational risk)	€81,325m	€85,768m	CET capital ratio <sup>1)</sup>	23.4%	22.1%
Common Equity Tier 1 capital	€19,030m	€18,993m												
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Risk-weighted assets (including equivalents for market risk and operational risk)	€81,325m	€85,768m												
CET capital ratio <sup>1)</sup>	23.4%	22.1%												
	Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change	There has been no material adverse change in the prospects of HVB Group since 31 December 2014, the date of its last published audited financial statements.												
	Description of significant change in the financial position subsequent to the period covered by the historical financial information	Not applicable. There has been no significant change in the financial position of HVB Group since 30 June 2015.												
B.13	Recent events	Not applicable. There are no recent events particular to UniCredit Bank which are to a material extent relevant to the evaluation of its solvency.												
B.14	B.5 plus statement of dependency upon other entities within the group	See Element B.5 above. Not applicable. UniCredit Bank is not dependent on any entity within HVB Group.												
B.15	Principal activities	UniCredit Bank offers a comprehensive range of banking and financial products and services to private, corporate and public sector customers, international companies and institutional customers.												

		This range extends from mortgage loans, consumer loans, savings-and-loan and insurance products, and banking services for private customers through to business loans and foreign trade financing for corporate customers and fund products for all asset classes, advisory and brokerage services, securities transactions, liquidity and financial risk management, advisory services for affluent customers and investment banking products for corporate customers.																				
B.16	Direct or indirect ownership or control	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.																				
[B.17 <sup>1</sup>	Ratings	<p>UniCredit Bank is rated by Fitch Ratings Ltd. ("<b>Fitch</b>"), Moody's Investors Service Ltd. ("<b>Moody's</b>") and Standard &amp; Poor's Ratings Services ("<b>S&amp;P</b>"). As of the date of the Base Prospectus, the following ratings were assigned to UniCredit Bank:</p> <table border="1"> <thead> <tr> <th></th> <th>Longterm Notes</th> <th>Subordinated Notes</th> <th>Short Term Notes</th> <th>Outlook</th> </tr> </thead> <tbody> <tr> <td><b>Moody's</b></td> <td><b>A3</b></td> <td><b>Baa3</b></td> <td><b>P-2</b></td> <td>negative</td> </tr> <tr> <td><b>S&amp;P</b></td> <td><b>BBB</b></td> <td><b>BB+</b></td> <td><b>A-2</b></td> <td>negative</td> </tr> <tr> <td><b>Fitch</b></td> <td><b>A-</b></td> <td><b>BBB+</b></td> <td><b>F2</b></td> <td>Negative</td> </tr> </tbody> </table> <p>Fitch's long-term credit ratings are set up along a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C, RD down to D. Fitch uses the intermediate modifiers "+" and "-" to denote relative status within the categories from AA to B. Fitch has also the possibility for guidance (termed "on watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (evolving). Fitch's short-term ratings reflect a bank's vulnerability to default in the short term at the levels F1+, F1, F2, F3, B, C, RD and D.</p> <p>Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-rating category. Moody's also has the option of adding further guidance (referred to as "under review") as to whether a rating is likely to be upgraded (possible upgrade), downgraded (possible downgrade) or uncertain (direction uncertain). Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations and range from P-1, P-2, P-3 down to NP (Not Prime).</p> <p>S&amp;P assign long-term credit ratings on a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C, SD to D. The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. S&amp;P may also offer guidance (termed a "credit watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (developing). S&amp;P assigns short-term credit ratings for specific issues on a scale from A-1+, A-1, A-2, A-3, B, C, SD down to D.</p> <p>[Not applicable. The Securities are not rated.] [The Securities have been rated as follows by [Fitch Ratings Ltd. ("<b>Fitch</b>")] [,] [and] [Moody's Investors Service Ltd. ("<b>Moody's</b>") [and] [Standard &amp; Poor's Ratings Services ("<b>S&amp;P</b>")]: [Insert rating information relating to the Securities]]</p>		Longterm Notes	Subordinated Notes	Short Term Notes	Outlook	<b>Moody's</b>	<b>A3</b>	<b>Baa3</b>	<b>P-2</b>	negative	<b>S&amp;P</b>	<b>BBB</b>	<b>BB+</b>	<b>A-2</b>	negative	<b>Fitch</b>	<b>A-</b>	<b>BBB+</b>	<b>F2</b>	Negative
	Longterm Notes	Subordinated Notes	Short Term Notes	Outlook																		
<b>Moody's</b>	<b>A3</b>	<b>Baa3</b>	<b>P-2</b>	negative																		
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<b>Fitch</b>	<b>A-</b>	<b>BBB+</b>	<b>F2</b>	Negative																		

<sup>1</sup> This Element B.17 is only applicable in the case of Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

		<p>Investors should keep in mind that a rating does not constitute a recommendation to purchase, sell or hold Securities issued by the Issuer.</p> <p>Moreover, the ratings awarded by the rating agencies may at any time be suspended, downgraded or withdrawn.]</p>
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[B.1	Legal and commercial name of the Issuer	UniCredit International Bank (Luxembourg) S.A. (" <b>UniCredit International Luxembourg</b> ").
B.2	Domicile/ legal form/ legislation/ country of incorporation	UniCredit International Luxembourg is a public limited liability company ( <i>société anonyme</i> ) incorporated under the laws of the Grand Duchy of Luxembourg and domiciled in Luxembourg with registered office at 8-10 rue Jean Monnet, L-2180 Luxembourg.
B.4b	Trend information	Not applicable. There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.
B.5	Description of the group and the issuer's position within the group	<p>The UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 as amended (the "<b>Banking Act</b>") under number 02008.1 (the "<b>Group</b>" or the "<b>UniCredit Group</b>") is a leading financial services group with a well-established commercial network in 20 countries, including Italy, Germany, Austria, Poland and several other Central and Eastern European ("<b>CEE</b>") countries. As at 31 December 2014, UniCredit Group is present in approximately 50 markets with over 147,000 (including YAPI KREDI GROUP) full time equivalent employees. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (<i>bancassurance</i>).</p> <p>UniCredit International Luxembourg is a wholly owned subsidiary of UniCredit.</p>
B.9	Profit forecast or estimate	Not applicable. No profit forecasts or estimates have been made in the Base Prospectus.
B.10	Audit report qualifications	Not applicable. No qualifications are contained in any audit or review report included in the Base Prospectus.

B.12	Selected historical key financial information	<b>Income Statement</b>		
		The table below sets out summary information extracted from the audited consolidated annual financial statements for each of the financial years ended 31 December 2014 and 31 December 2013 for UniCredit International Luxembourg:		
		<i>€ millions</i>	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013</b>
		Operating income of which:	13	12
		–net interest	13	12
		Operating costs	(6)	2
		Profit	8	7
		Profit (loss) before tax	8	7
		Net profit (loss)	5	5
		<b>Statement of Financial Position</b>		
		The table below sets out summary information extracted from UniCredit International Luxembourg's audited consolidated statement of financial position as at 31 December 2014 and 31 December 2013:		
		<i>€ millions</i>	<b>As at 31 December 2014</b>	<b>As at 31 December 2013</b>
		Total assets	3,162	3,187
		Financial assets held for trading	2	2
		Loans and receivables with customers	34	123
		Financial liabilities held for trading	2	2
		Deposits from customers and debt securities in issue of which:	2,430	2,496
		- deposits from customers	374	593
		- securities in issue	2,055	1,903
		Shareholders' Equity	270	250

	Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change	There has been no material adverse change in the prospects of UniCredit International Luxembourg since 31 December 2014, the date of its last published audited financial statements.
	Description of significant change in the financial or trading position subsequent to the period covered by the historical financial information	Not applicable. There has been no significant change in the financial or trading position of UniCredit International Luxembourg since 31 December 2014.
B.13	Events impacting the Issuer's solvency	Not applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	Dependence upon other group entities	See Element B.5 above.  UniCredit International Luxembourg is a wholly owned subsidiary of UniCredit and owns a 100% interest in a subsidiary named UniCredit Luxembourg Finance S.A., whose principal object is the issue of securities in the US market under a USD 10 billion medium term note programme guaranteed by UniCredit S.p.A.
B.15	Principal activities	UniCredit International Luxembourg is engaged in the business of banking and the provision of financial services. Its main business areas include treasury activities (money market, repurchase agreements or "repos", interest rate swaps, foreign exchange), issue of certificates of deposit and structured notes, selective investments for its own account, treasury services for institutional and corporate counterparties and management of the remaining credit portfolio.
B.16	Controlling shareholders	UniCredit International Luxembourg is a wholly owned subsidiary of UniCredit.

[B.17 <sup>2</sup>	Ratings	<p>[Not applicable. Neither UniCredit International Luxembourg nor the Securities are rated.]</p> <p>[The Securities have been rated as follows by [Fitch Ratings Ltd. ("<b>Fitch</b>") [.] [and] [Moody's Investors Service Ltd. ("<b>Moody's</b>") [and] [Standard &amp; Poor's Ratings Services ("<b>S&amp;P</b>")]: [<i>Insert rating information relating to the Securities</i>] UniCredit International Luxembourg is not rated.</p> <p>Investors should keep in mind that a rating does not constitute a recommendation to purchase, sell or hold Securities issued by the Issuer. Moreover, the ratings awarded by the rating agencies may at any time be suspended, downgraded or withdrawn.]]</p>
[B.18	Description of the Guarantee	<p>The due and punctual payment of all amounts payable by UniCredit International Luxembourg under this Base Prospectus in relation to the Securities issued by UniCredit International Luxembourg as well as the due and punctual performance and observance of each of the other provisions of this Base Prospectus on its part to be performed or observed in relation to such Securities will be irrevocably and – subject as provided in the Guarantee – unconditionally guaranteed by the Guarantor.]</p>

[B.19	Information about the Guarantor	
B.19 B.1	Legal and commercial name of the Guarantor	UniCredit S.p.A. (" <b>UniCredit</b> ")
B.19 B.2	Domicile/ legal form/ legislation/ country of incorporation	The Guarantor is a Società per Azioni incorporated under the laws of the Republic of Italy and domiciled in the Republic of Italy with registered office at Via A. Specchi 16, 00186, Rome, Italy.
B.19 B.4b	Trend information	Not applicable. There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Guarantor's prospects for its current financial year.
B.19 B.5	Description of the group and the guarantor's position within the group	The Guarantor is the parent company of the UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 as amended (the " <b>Banking Act</b> ") under number 02008.1 (the " <b>Group</b> " or the " <b>UniCredit Group</b> "). The UniCredit Group is a leading financial services group with a well-established commercial network in 20 countries, including Italy, Germany, Austria, Poland and several other CEE countries. As at 31 December 2014, UniCredit Group is present in approximately 50 markets with over 147,000 (including YAPI KREDI GROUP) full time equivalent employees. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its

<sup>2</sup> This Element B.17 is only applicable in the case of Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

		wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches ( <i>bancassurance</i> ).																																				
B.19 B.9	Profit forecast or estimate	Not applicable. No profit forecasts or estimates have been made in the Base Prospectus.																																				
B.19 B.10	Audit report qualifications	Not applicable. No qualifications are contained in any audit or review report included in the Base Prospectus.																																				
B.19 B.12	Selected historical key financial information	<p><b>Income Statement</b></p> <p>The table below sets out summary information extracted from the audited consolidated annual financial statements for each of the financial years ended 31 December 2014 and 31 December 2013 of the UniCredit Group:</p> <table border="1"> <thead> <tr> <th><i>€ millions</i></th> <th><b>Year ended 31 December 2014</b></th> <th><b>Year ended 31 December 2013(**)</b></th> <th><b>Year ended 31 December 2013(*)</b></th> </tr> </thead> <tbody> <tr> <td>Operating income of which:</td> <td>22,513</td> <td>23,335</td> <td>23,973</td> </tr> <tr> <td>– net interest</td> <td>12,442</td> <td>12,303</td> <td>12,990</td> </tr> <tr> <td>– dividends and other income from equity investments</td> <td>794</td> <td>964</td> <td>324</td> </tr> <tr> <td>– net fees and commissions</td> <td>7,572</td> <td>7,361</td> <td>7,728</td> </tr> <tr> <td>Operating costs</td> <td>(13,838)</td> <td>(14,253)</td> <td>(14,801)</td> </tr> <tr> <td>Operating profit</td> <td>8,675</td> <td>9,082</td> <td>9,172</td> </tr> <tr> <td>Profit (loss) before tax</td> <td>4,091</td> <td>(5,220)</td> <td>(4,888)</td> </tr> <tr> <td>Net profit (loss) attributable to the Group</td> <td>2,008</td> <td>(13,965)</td> <td>(13,965)</td> </tr> </tbody> </table> <p>(*) As published in "2013 Consolidated Reports and Accounts".</p> <p>(**) Reclassified income statement. Comparative figures as at 31 December 2013 have been restated mainly following the introduction of IFRS 10 and IFRS 11.</p> <p>The figures in this table refer to the reclassified income statement.</p> <p>The table below sets out summary information extracted from the consolidated half-year reports as at June 30, 2015 and 30 June 2014 of the UniCredit Group:</p>	<i>€ millions</i>	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013(**)</b>	<b>Year ended 31 December 2013(*)</b>	Operating income of which:	22,513	23,335	23,973	– net interest	12,442	12,303	12,990	– dividends and other income from equity investments	794	964	324	– net fees and commissions	7,572	7,361	7,728	Operating costs	(13,838)	(14,253)	(14,801)	Operating profit	8,675	9,082	9,172	Profit (loss) before tax	4,091	(5,220)	(4,888)	Net profit (loss) attributable to the Group	2,008	(13,965)	(13,965)
<i>€ millions</i>	<b>Year ended 31 December 2014</b>	<b>Year ended 31 December 2013(**)</b>	<b>Year ended 31 December 2013(*)</b>																																			
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Net profit (loss) attributable to the Group	2,008	(13,965)	(13,965)																																			

<i>€ millions</i>	<b>Six months ended 30 June 2015</b>	<b>Six months ended 30 June 2014 (****)</b>	<b>Six months ended 30 June 2014 (***)</b>
Operating income, of which:	11,484	11,387	11,312
– net interest	5,962	6,256	6,256
– dividends and other income from equity investments	387	425	370
– net fees and commissions	4,011	3,853	3,836
Operating costs (loss)	(6,853)	(6,747)	(6,926)
Operating profit	4,631	4,640	4,385
Profit (loss) before tax	2,123	2,446	2,446
Net profit attributable to the Group	1,034	1,116	1,116

(\*\*\*) As published in the “Consolidated First Half Financial Report as at June 30, 2014”.

(\*\*\*\*) Reclassified, as published in the “Consolidated First Half Financial Report as at June 30, 2015”.

### **Statement of Financial Position**

The table below sets out summary information extracted from UniCredit Group's consolidated audited statement of financial positions as at 31 December 2014 and 31 December 2013:

<i>€ millions</i>	<b>As at 31 December 2014</b>	<b>As at 31 December 2013(**)</b>	<b>As at 31 December 2013(*)</b>
Total assets	844,217	825,919	845,838
Financial assets held for trading	101,226	80,701	80,910
Loans and receivables with customers of which:	470,569	483,684	503,142
– impaired loans	41,092	39,746	39,815
Financial liabilities held for trading	77,135	63,799	63,169
Deposits from cus-	560,688	557,379	571,024

tomers and debt securities in issue of which:			
– deposits from customers	410,412	393,113	410,930
– securities in issue	150,276	164,266	160,094
Shareholders' Equity	43,390	46,722	46,841

(\*) As published in "2013 Consolidated Reports and Accounts".

(\*\*) Reclassified Balance sheet. Comparative figures as at 31 December 2013 have been restated mainly following the introduction of IFRS 10 and IFRS 11.

The figures in these tables refer to the reclassified balance sheet.

The table below sets out summary information extracted from the consolidated half-year reports as at 30 June 2015 and 30 June 2014 of the UniCredit Group:

<i>€ millions</i>	<b>As at 30 June 2015</b>	<b>As at 30 June 2014 (****)</b>	<b>As at 30 June 2014 (***)</b>
Total assets	875,126	836,679	838,869
Financial assets held for trading	97,676	84,079	84,079
Loans and receivables with customers	473,930	474,798	477,093
Financial liabilities held for trading	72,501	63,637	63,637
Deposits from customers and debt securities in issue of which:	580,859	561,005	561,005
– deposits from customers	435,898	401,490	401,490
– securities in issue	144,961	159,515	159,515
Shareholders' Equity	50,195	48,937	48,937

(\*\*\*) As published in the "Consolidated First Half Financial Report as at June 30, 2014".

(\*\*\*\*) Reclassified, as published in the "Consolidated First Half Financial Report as at June 30, 2015".

	Statement with regard to no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change	There has been no material adverse change in the prospects of UniCredit and the Group since 31 December 2014, the date of its last published audited financial statements.
	Description of significant change in the financial or trading position subsequent to the period covered by the historical financial information	Not applicable. There has been no significant change in the financial or trading position of UniCredit and the Group since 30 June 2015.
B.19 B.13	Events impacting the Guarantor's solvency	Not applicable - There are no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency.
B.19 B.14	Dependence upon other group entities	See Element B.19 B.5 above.  The Guarantor is the parent company of the UniCredit Group and carries out, in addition to banking activities, organic policy, governance and control functions <i>vis-à-vis</i> its subsidiary banking, financial and instrumental companies.
B.19 B.15	The Guarantor's Principal activities	The Guarantor, as a bank which undertakes management and coordination activities for the UniCredit Group, pursuant to the provisions of Article 61 of the Banking Act, issues, when exercising these management and coordination activities, instructions to the other members of the banking group in respect of the fulfilment of the requirements laid down by the Bank of Italy in the interest of the banking group's stability.
B.19 B.16	Controlling shareholders	Not applicable - No individual or entity controls the Guarantor within the meaning provided for in Article 93 of the Legislative Decree No. 58 of 24 February 1998 (the " <b>Financial Services Act</b> "), as amended.]

[B.19 B.17 <sup>3</sup>	Ratings of the Guarantor	<p>UniCredit S.p.A. has been rated as follows:</p> <table border="1" data-bbox="488 248 1401 797"> <thead> <tr> <th data-bbox="488 248 716 353">Description</th> <th data-bbox="716 248 944 353">Standard &amp; Poor's</th> <th data-bbox="944 248 1173 353">Moody's</th> <th data-bbox="1173 248 1401 353">Fitch ratings</th> </tr> </thead> <tbody> <tr> <td data-bbox="488 353 716 490">Short Term Counterparty Credit Rating</td> <td data-bbox="716 353 944 490">A-3</td> <td data-bbox="944 353 1173 490">P-2</td> <td data-bbox="1173 353 1401 490">F2</td> </tr> <tr> <td data-bbox="488 490 716 627">Long Term Counterparty Credit Rating</td> <td data-bbox="716 490 944 627">BBB-</td> <td data-bbox="944 490 1173 627">Baa1</td> <td data-bbox="1173 490 1401 627">BBB+</td> </tr> <tr> <td data-bbox="488 627 716 696">Outlook</td> <td data-bbox="716 627 944 696">stable</td> <td data-bbox="944 627 1173 696">stable</td> <td data-bbox="1173 627 1401 696">stable</td> </tr> <tr> <td data-bbox="488 696 716 797">Tier II Subordinated Debt</td> <td data-bbox="716 696 944 797">BB</td> <td data-bbox="944 696 1173 797">Ba1</td> <td data-bbox="1173 696 1401 797">BBB</td> </tr> </tbody> </table> <p>Investors should keep in mind that a rating does not constitute a recommendation to purchase, sell or hold Securities issued by the Issuer. Moreover, the ratings awarded by the rating agencies may at any time be suspended, downgraded or withdrawn.]</p>	Description	Standard & Poor's	Moody's	Fitch ratings	Short Term Counterparty Credit Rating	A-3	P-2	F2	Long Term Counterparty Credit Rating	BBB-	Baa1	BBB+	Outlook	stable	stable	stable	Tier II Subordinated Debt	BB	Ba1	BBB
Description	Standard & Poor's	Moody's	Fitch ratings																			
Short Term Counterparty Credit Rating	A-3	P-2	F2																			
Long Term Counterparty Credit Rating	BBB-	Baa1	BBB+																			
Outlook	stable	stable	stable																			
Tier II Subordinated Debt	BB	Ba1	BBB																			

### C. SECURITIES

C.1	Type and class of the securities being offered and/or admitted to trading, including any security identification numbers	<p><u><i>[In the case of <b>Garant Securities</b>, the following applies:</i></u>  Garant Securities (the "<b>Securities</b>")]</p> <p><u><i>[In the case of <b>Fund Index Securities</b>, the following applies:</i></u>  Fund Index Securities (the "<b>Securities</b>")]</p> <p><u><i>[In the case of <b>Fund Reverse Convertible Securities</b>, the following applies:</i></u>  Fund Reverse Convertible Securities with Cash Settlement [or Physical Settlement] (the "<b>Securities</b>")]</p> <p><u><i>[In the case of <b>Sprint Securities</b>, the following applies:</i></u>  Sprint Securities (the "<b>Securities</b>")]</p> <p><u><i>[In the case of <b>Garant Basket Securities</b>, the following applies:</i></u>  Garant Basket Securities (the "<b>Securities</b>")]</p> <p><u><i>[In the case of <b>Garant Rainbow Securities</b>, the following applies:</i></u>  Garant Rainbow Securities (the "<b>Securities</b>")]</p> <p><u><i>[In the case of <b>Fund Index Performance Telescope Securities</b>, the following applies:</i></u>  Fund Index Performance Telescope Securities (the "<b>Securities</b>")]</p> <p><u><i>[In the case of <b>Garant Performance Telescope Securities</b>, the following applies:</i></u>  Garant Performance Telescope Securities (the "<b>Securities</b>")]</p> <p><u><i>[In the case of <b>Garant Performance Telescope Basket Securities</b>, the following applies:</i></u></p>
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<sup>3</sup> This Element B.17 is only applicable in the case of Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

		<p>Garant Performance Telescope Basket Securities (the "<b>Securities</b>")]  <u>[In the case of <b>Fund Index Telescope Securities</b>, the following applies:</u>  Fund Index Telescope Securities (the "<b>Securities</b>")]  <u>[In the case of <b>Fund Index Geoscope Securities</b>, the following applies:</u>  Fund Index Geoscope Securities (the "<b>Securities</b>")]  <u>[In the case of <b>Garant Telescope Securities</b>, the following applies:</u>  Garant Telescope Securities (the "<b>Securities</b>")]  <u>[In the case of <b>Garant Geoscope Securities</b>, the following applies:</u>  Garant Geoscope Securities (the "<b>Securities</b>")]  <u>[In the case of <b>Securities linked to Target Vol Strategies</b>, the following applies:</u>  Securities linked to Target Vol Strategies (the "<b>Securities</b>")]  "<b>Nominal Amount</b>" means [Insert]<sup>4</sup>.  "<b>Aggregate Nominal Amount</b>" means [Insert].]  The Securities will be issued as [notes] [certificates] with a nominal amount.  ["<b>Notes</b>"] ["<b>Certificates</b>"] are debt instruments in bearer form (<i>Inhaberschuldverschreibungen</i>) (in the case of Securities governed by German law pursuant to § 793 German Civil Code (<i>Bürgerliches Gesetzbuch, BGB</i>)).  [The Securities are represented by a permanent global note without interest coupons.]  [The Securities are initially represented by a temporary global note without interest coupons which will be exchangeable for a permanent global note without interest coupons.]  The holders of the Securities (the "<b>Security Holders</b>") are not entitled to receive definitive Securities. The [ISIN (International Securities Identification Number)] [WKN (German Securities Identification Number (<i>Wertpapierkennnummer</i>))] [Common Code] is specified in the Annex to this Summary.</p>
C.2	Currency of the securities issue	The Securities are issued in [Insert] (the " <b>Specified Currency</b> ").
C.5	Restrictions of any free transferability of the securities	Not applicable. The Securities are freely transferable.
C.8	Rights attached to the securities, including ranking and limitations to those rights	<p><b>Governing law of the Securities</b>  The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by [German][English] law.</p> <p><b>Rights attached to the Securities</b>  <u>[In the case of <b>Garant Securities, Fund Index Securities, Sprint Securities, Garant Basket, Garant Rainbow Securities and Securities linked to Target Vol Strategies</b>, the following applies:</u>  The Securities do not bear interest.]  <u>[In the case of <b>Fund Index Performance Telescope Securities, Garant Per-</b></u></p>

<sup>4</sup> In the case of Securities issued by UniCredit Bank, the Nominal Amount shall be not less than EUR 1,000. In case of Securities issued by UniCredit International Luxembourg, the Amount shall not be less than EUR 100,000.

	<p><u><i>formance Telescope Securities, Garant Performance Telescope Basket Securities, Fund Index Telescope Securities, Fund Index Geoscope Securities Garant Telescope Securities and Garant Geoscope Securities the following applies:</i></u></p> <p>The Securities do not bear interest.</p> <p>[Upon occurrence of an Income Payment Event (as specified in [C.10][C.15]),] [T][t]he Security Holders shall be entitled to payment of the respective Additional Amount (k) (as specified in [C.10][C.15]) on Additional Amount Payment Dates (k) as specified in the Annex to this Summary.]</p> <p><u><i>[In the case of Fund Reverse Convertible Securities, insert:</i></u></p> <p>The Securities bear interest on their [Aggregate Nominal Amount][Nominal Amount] for the [relevant] Interest Period at [a fixed Interest Rate] [the Reference Rate] (as specified in the Annex to this Summary) and the relevant Interest Amount shall be paid on each Interest Payment Date (as specified in the Annex to this Summary). The relevant "<b>Interest Amount</b>" is calculated by multiplying the product of the Interest Rate applying for the relevant Interest Period and the [Aggregate Nominal Amount] [Nominal Amount] by the Day Count Fraction (as specified in the Annex to this Summary).</p> <p><u><i>[In the case of all floating-rate Securities with a Maximum Interest Rate, insert:</i></u></p> <p>If the Interest Rate determined for an Interest Payment Date is greater than the Maximum Interest Rate, then the Interest Rate for that Interest Payment Date shall be the Maximum Interest Rate.</p> <p>"<b>Maximum Interest Rate</b>" means [Insert].]</p> <p><u><i>[In the case of all floating-rate Securities with a Minimum Interest Rate, insert:</i></u></p> <p>If the Interest Rate determined for an Interest Payment Date is less than the Minimum Interest Rate, then the Interest Rate for that Interest Payment Date shall be the Minimum Interest Rate.</p> <p>"<b>Minimum Interest Rate</b>" means [Insert].]</p> <p>Upon automatic exercise on the Exercise Date (as defined in C.16) the Security Holder shall be entitled to payment of the Redemption Amount (as defined in C.15) <u><i>[In the case of Securities with Cash Settlement and Physical Settlement, insert:</i></u> or a delivery of a specified quantity of the Underlying] on the Maturity Date.</p> <p><b>Limitation of the rights</b></p> <p><u><i>[In the case of Garant Securities, Fund Index Securities, Garant Basket Securities, Garant Rainbow Securities, Fund Index Performance Telescope Securities, Garant Performance Telescope Basket Securities, Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities, Garant Geoscope Securities and Securities linked to Target Vol Strategies insert:</i></u></p> <p>The Issuer is entitled to make adjustments to the terms and conditions and to the conversion of the Securities.]</p> <p><u><i>[In the case of Fund Reverse Convertible Securities and Sprint Securities, insert:</i></u></p> <p>The Issuer is entitled to call the Securities and to make adjustments to the terms and conditions of the Securities.]</p> <p><b>Status of the Securities</b></p> <p>The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, at least <i>pari passu</i> with all other unsecured unsubordinated present and future</p>
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		obligations of the Issuer.
[C.9 <sup>5</sup> ]	Nominal interest rate; the date from which interest becomes payable and the due dates for interest; where the rate is not fixed, description of the underlying on which it is based; maturity date and arrangements for the amortisation of the loan, including the repayment procedures; an indication of yield; representation of debt security holders	<p>See also Element C.8 above.</p> <p><b><i>Option 10, 11, 12 and 13: In the case of Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities insert:</i></b></p> <p><b>Interest Rate, Interest Start Date, Interest Payments Dates</b> Not applicable. The Securities do not bear interest.</p> <p><b>Underlying</b> Descriptions of the Underlying are specified in the Annex to this Summary. For further information about the performance of the Underlying and its volatility, please refer to the Website (or any successor website), as specified in the Annex to this Summary.</p> <p><b>Redemption</b> Redemption on the Maturity Date will be made by payment of the Redemption Amount in the Specified Currency. The "<b>Redemption Amount</b>" is equal to the Minimum Amount. The "<b>Maturity Date</b>" and the "<b>Minimum Amount</b>" are specified in the Annex to this Summary.</p> <p><b>Payments</b> All payments shall be made to [Insert] (the "<b>Principal Paying Agent</b>"). The Principal Paying Agent shall pay the amounts due to the Clearing System for credit to the respective accounts of the depository banks for transfer to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment. "<b>Clearing System</b>" means [Insert].</p> <p><b>Indication of yield</b> Not applicable. The yield cannot be calculated at the time of the issue of the Securities.</p> <p><b>Representation of the Security Holders</b> Not applicable. No representative exists.]</p>
[C.10 <sup>6</sup> ]	Description of the derivative component in the interest payment and how the investment is influenced by the value of the base instrument	<p>See also Element C.9 above.</p> <p><b><i>Option 10 and 12: In the case of Fund Index Telescope Securities and Garant Telescope Securities, insert:</i></b></p> <p>[Fund Index Telescope Securities] [Garant Telescope Securities] are Securities where the payment of the Additional Amount (k) is based on the Performance of the Underlying (k). The Performance of the Underlying (k) is equal to the difference between (i) the quotient of R (k), as the numerator, and R (initial), as the denominator, and (ii) the Strike Level, divided by D (k). D (k) and the Strike Level are specified in the Annex to this Summary, taking into account the Participation Factor (as specified in the Annex to this Summary) and the respective D (k). R (k) means the Reference Price on the respective Observation Date (k). [R (initial) is specified in the Annex to this Summary]</p>

<sup>5</sup> This Element C.9 is only applicable in the case of Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

<sup>6</sup> This Element C.10 is only applicable in the case of Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities with a denomination of less than EUR 100,000 where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

	<p>[R (initial) means <i>[Insert]</i>.</p> <p><i>[In the case of <b>Quanto Securities</b>, insert:</i></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p>[If an Income Payment Event occurs on an Observation Date (k) (as specified in the Annex to this Summary), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Annex to this Summary).</p> <p>An "<b>Income Payment Event</b>" means that R (k), as determined on the respective Observation Date (k), is greater than the Strike. [The Strike is specified in the Annex to this Summary] ["<b>Strike</b>" means Strike Level x R (initial), where the Strike Level is specified in the Annex to this Summary]. R (k) means the Reference Price on the respective Observation Date (k). [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert]</i>.</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Annex to this Summary).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]</p> <p>The value of the Securities during their term can rise if the value of the Underlying increases and can decline if the value of the Underlying falls (disregarding other factors affecting the value).]</p> <p><b><u>Option 11 and 13: In the case of Fund Index Geoscope Securities and Garant Geoscope Securities, insert:</u></b></p> <p>[Fund Index Geoscope Securities] [Garant Geoscope Securities] are Securities where the payment of the Additional Amount (k) is based on the Geometric Average Performance of the Underlying (k). The Geometric Average Performance of the Underlying (k) is the <math>n^{\text{th}}</math> (when "n" depends on the respective D (k)) root of the Performance of the Underlying (k), where the Performance of the Underlying (k) is the quotient between of R (k), as the numerator, and R (initial), as the denominator. D (k) is specified in the Annex to this Summary, taking into account the Participation Factor (as specified in the Annex to this Summary). R (k) means the Reference Price on the respective Observation Date (k). [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert]</i>.</p> <p><i>[In the case of <b>Quanto Securities</b>, insert:</i></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p>[If an Income Payment Event occurs on an Observation Date (k) (as specified</p>
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		<p>in the Annex to this Summary), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Annex to this Summary).</p> <p>An Income Payment Event means that the Geometric Average Performance of the Underlying (k) is greater than the Strike Level (as specified in the Annex to this Summary).</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the difference between the Geometric Average Performance of the Underlying (k) and the Strike Level.</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the difference between the Geometric Average Performance of the Underlying (k) and the Strike Level (as specified in the Annex to this Summary).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Annex to this Summary).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>The value of the Securities during their term can rise if the value of the Underlying increases and can decline if the value of the Underlying falls (disregarding other factors affecting the value).]</p>
[C.11 <sup>7</sup>	Admission to trading on a regulated market	<p>[Application [has been] [will be] made for the Securities to be admitted to trading with effect from [Insert expected date] on the following regulated markets: [regulated market of the Luxembourg Stock Exchange] [Insert other relevant regulated or equivalent market(s)].]</p> <p>[The Securities are already admitted to trading on the following regulated or other equivalent markets: [Insert relevant regulated or other equivalent market(s)].]</p> <p>[Not applicable. No application of the Securities to be admitted to trading on a regulated or equivalent market has been or is intended to be made.]</p> <p>[[Insert name of the Market Maker] (the "<b>Market Maker</b>") undertakes to provide liquidity through bid and offer quotes in accordance with the market making rules of [Insert relevant regulated or unregulated market(s)], where the Securities are expected to be listed. The obligations of the Market Maker are regulated by the rules of the markets organised and managed by [Insert relevant regulated or unregulated market(s)], and the relevant instructions to such rules. [Moreover, the Market Maker undertakes to apply, in normal market conditions, a spread between bid and offer quotes not higher than [Insert percentage]%.]]]</p>
[C.15 <sup>8</sup>	Effect of the underlying on the value of the securities	<p><b>[Option 1: In the case of Garant Securities, insert:</b></p> <p>Garant Securities are Securities where the redemption on the Maturity Date is based on R (final) (as specified in C.19). The Security Holder receives at least the specified Minimum Amount. <u>[In the case of Garant Securities, where the Minimum Amount is less than the Nominal Amount, the following</u></p>

<sup>7</sup> This Element C.11 is only applicable to Securities with a denomination of less than EUR 100,000.

<sup>8</sup> This Element C.15 is applicable to all Securities other than Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

	<p><i>applies</i>: This Minimum Amount is less than the Nominal Amount.][<i>In the case of <b>Garant Cap Securities</b>, the following applies</i>: Furthermore, the Redemption Amount is not greater than the Maximum Amount.]</p> <p><i>[In the case of <b>Quanto Securities</b>, insert:</i></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p><i>[In the case of <b>Compo Securities</b>, insert:</i></p> <p>The Securities are issued as Compo Securities. Compo Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where no currency protection element is provided. The Security Holder consequently bears the full exchange rate risk during the term.]</p> <p><i>[In the case of <b>Garant Securities</b>, insert:</i></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) [converted by application of an FX Exchange Rate (as specified in the Annex to this Summary)]. However, the Redemption Amount is not less than the Minimum Amount.</p> <p>Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.]</p> <p><i>[In the case of <b>Garant Cap Securities</b>, insert:</i></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) [converted by application of an FX Exchange Rate (as specified in the Annex to this Summary)]. However, the Redemption Amount is not less than the Minimum Amount and not greater than the Maximum Amount.</p> <p>Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.]</p> <p>Floor Level, Participation Factor, Strike, [and] Minimum Amount[, and Maximum Amount] are specified in the Annex to this Summary. [Maximum Amount means [Insert]. The Cap Level is specified in the Annex to this Summary. The Maximum Amount is converted by application of an FX Exchange Rate]. [R (initial) is specified in the Annex to this Summary] [R (initial) means [Insert]].]</p> <p><i>[Option 2: In the case of <b>Fund Index Securities</b>, insert:</i></p> <p>Fund Index Securities are Securities where the redemption on the Maturity Date is based on R (final) (as specified in C.19). The Security Holder receives at least the specified Minimum Amount. [<i>In the case of Fund Index Securities with a Minimum Amount which is less than the Nominal Amount, the following applies</i>: The Minimum Amount is not less than the Nominal Amount.] [<i>In the case of Fund Index Securities with a Minimum Amount and Cap, the following applies</i>: Furthermore, the Redemption Amount is not greater than the Maximum Amount.]</p> <p><i>[In the case of <b>Quanto Securities</b>, insert:</i></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securi-</p>
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	<p>ties where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p><u><i>[In the case of Fund Index Securities with a Minimum Amount, the following applies:</i></u></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)). However, the Redemption Amount is not less than the Minimum Amount.</p> <p>Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator. [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert]</i>.]</p> <p><u><i>[In the case of Fund Index Securities with a Minimum Amount and Cap, the following applies:</i></u></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)). However, the Redemption Amount is not less than the Minimum Amount and not greater than the Maximum Amount.</p> <p>Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator. [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert]</i>.]</p> <p>Floor Level, Participation Factor, Strike, Minimum Amount[, Maximum Amount] are specified in the Annex to this Summary. [Maximum Amount means <i>[Insert]</i>. The Cap Level is specified in the Annex to this Summary. The Maximum Amount is converted by application of an FX Exchange Rate].]</p> <p><u><i>[Option 3: In the case of Fund Reverse Convertible Securities, insert:</i></u></p> <p>Fund Reverse Convertible Securities are Securities where the redemption on the Maturity Date is based on R (final) (as specified in C.19).</p> <p><u><i>[In the case of Quanto Securities, the following applies:</i></u></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.] <u><i>[In the case of Quanto Securities with Physical Settlement, the following applies:</i></u></p> <p>The quantity of the Underlyings to be delivered and/or of the Supplemental Cash Amount is increased or reduced before delivery according to the exchange rate movement in order to offset any exchange rate losses or gains during the term of the Securities.]</p> <p><u><i>[In the case of Fund Reverse Convertible Securities with Cash Settlement, the following applies:</i></u></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "<b>Redemption Amount</b>"), determined as follows:</p> <ul style="list-style-type: none"> <li>-If R (final) is <u>equal to or greater than</u> the Strike, then the Redemption Amount is equal to the Nominal Amount.</li> </ul>
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	<p>-If R (final) is <u>less</u> than the Strike, then the Redemption Amount is equal to the Nominal Amount x R (final) / Strike.</p> <p>[The Strike is specified in the Annex to this Summary.] [Strike means R (initial) x Strike Level as specified in the Annex to this Summary.] [R (initial) means <i>[Insert]</i>.]]</p> <p><u><i>[In the case of Fund Reverse Convertible Securities with Physical Settlement, the following applies:</i></u></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date as follows:</p> <p>-If R (final) is equal to or greater than the Strike, then the Redemption Amount is equal to the Nominal Amount.</p> <p>-If R (final) is less than the Strike, then the Securities are redeemed by delivery of fund shares (Underlying) in accordance with the Ratio and, where applicable, by payment of the Supplemental Cash Amount.</p> <p>[Strike and Ratio are specified in the Annex to this Summary.] [Strike means R (initial) x Strike Level as specified in the Annex to this Summary.] [R (initial) means <i>[Insert]</i>.] [Ratio means Nominal Amount / Strike.]</p> <p>]</p> <p><u><i>[Option 4: In the case of Sprint Securities, insert:</i></u></p> <p>Sprint Securities are Securities where the redemption on the Maturity Date is based on R (final) (as specified in C.19).</p> <p><u><i>[In the case of Quanto Securities, insert:</i></u></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p><u><i>[In the case of Compo Securities, insert:</i></u></p> <p>The Securities are issued as Compo Securities. Compo Securities are Securities, where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and no currency protection element is provided. The Security Holder consequently bears the full exchange rate risk.]</p> <p><u><i>[In the case of Sprint Securities, insert:</i></u></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "<b>Redemption Amount</b>"), determined as follows:</p> <p>-If R (final) is greater than the Strike, the Redemption Amount is determined using the following formula:</p> <p>Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) [converted by application of an FX Exchange Rate (as specified in the Annex to this Summary)].</p> <p>-If R (final) is equal to or less than the Strike, then the Redemption Amount is equal to the Nominal Amount multiplied by the Performance of the Underlying [converted by application of an FX Exchange Rate (as specified in the Annex to this Summary)].</p> <p>Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.</p> <p>The Participation Factor [and the Strike] [is] [are] specified in the Annex to this Summary. [Strike means R (initial) x Strike Level as specified in the Annex to this Summary.] [R (initial) is specified in the Annex to this Sum-</p>
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	<p>mary] [R (initial) means <i>[Insert]</i>].</p> <p><u><i>[In the case of Sprint Cap Securities, insert:</i></u></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "<b>Redemption Amount</b>"), determined as follows:</p> <p>- If R (final) is greater than the Strike, the Redemption Amount is determined using the following formula:</p> <p>Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) [converted by application of an FX Exchange Rate (as specified in the Annex to this Summary)].</p> <p>However, the Redemption Amount is not greater than the Maximum Amount.</p> <p>- If R (final) is equal to or less than the Strike, then the Redemption Amount is equal to the Nominal Amount multiplied by the Performance of the Underlying [converted by application of a FX Exchange Rate (as specified in the Annex to this Summary)].</p> <p>Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert]</i>].</p> <p>[Strike,] Participation Factor, and Maximum Amount are specified in the Annex to this Summary. [Maximum Amount means <i>[Insert]</i>. The Cap Level is specified in the Annex to this Summary. The Maximum Amount is converted by application of an FX Exchange Rate]. [Strike means R (initial) x Strike Level as specified in the Annex to this Summary.].]</p> <p>]</p> <p><u><i>Option 5: In the case of Garant Basket Securities, insert:</i></u></p> <p>Garant Basket Securities are Securities where the redemption on the Maturity Date depends on the Performance of a basket as the Underlying. The basket consists of several Basket Components. The Performance of the Underlying (basket) is equal to the average Performance of the Basket Components, which are taken into account according to their Weighting. The Security Holder participates in the Performance of the Underlying in accordance with the Participation Factor, benefiting from rising Performance of the Underlying in relation to the Strike. The Security Holder receives at least the specified minimum redemption payment. <u><i>[In the case of Garant Basket Securities where the Minimum Amount is less than the Nominal Amount, the following applies:</i></u> The Redemption Amount is less than the Nominal Amount.] <u><i>[In the case of Garant Cap Basket Securities, the following applies:</i></u> Furthermore, the Redemption Amount is not greater than the Maximum Amount.]</p> <p><u><i>[In the case of Garant Basket Securities, insert:</i></u></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).</p> <p>The Redemption Amount is not less than the Minimum Amount.</p> <p>The Performance of the Underlying means the average Performance of the respective Basket Components<sub>i</sub> taken into account according to their Weighting as specified in the Annex to this Summary.</p> <p>The Performance of the respective Basket Component<sub>i</sub> is equal to K<sub>i</sub> (final) (as defined in C.19) divided by K<sub>i</sub> (initial). [K<sub>i</sub> (initial) is specified in the Annex to this Summary.] [K<sub>i</sub> (initial) means <i>[Insert]</i>].</p> <p>Floor Level, Participation Factor, Strike, and Minimum Amount are specified</p>
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in the Annex to this Summary.]

**[In the case of Garant Cap Basket Securities, insert:**

The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "**Redemption Amount**"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

The Redemption Amount is not less than the Minimum Amount and not greater than the Maximum Amount. The Performance of the Underlying means the average Performance of the respective Basket Components<sub>i</sub> taken into account according to their Weighting as specified in the Annex to this Summary.

The Performance of the respective Basket Component<sub>i</sub> is equal to  $K_i$  (final) as defined in C.19 divided by  $K_i$  (initial). [ $K_i$  (initial) is specified in the Annex to this Summary.] [ $K_i$  (initial) means *[Insert]*.]

Floor Level, Participation Factor, Strike, Minimum Amount, and Maximum Amount are specified in the Annex to this Summary.]

]

**[Option 6: In the case of Garant Rainbow Securities, insert:**

Garant Rainbow Securities are Securities where the redemption on the Maturity Date depends on the performance of a basket as the Underlying. The basket consists of several Basket Components. The Performance of the Underlying (basket) is equal to the average Performance of the Basket Components, which are taken into account according to a Weighting that depends on their respective Performance. The Security Holder participates in the Performance of the Underlying in accordance with the Participation Factor, benefiting from rising Performance of the Underlying in relation to the Strike. The Weighting of each Basket Component depends on its Performance: The highest Weighting is allocated to the Basket Component with the best Performance, the second-highest Weighting to the Basket Component with the second-best Performance, and so on. The Security Holder receives at least the specified minimum redemption payment. [In the case of Garant Rainbow Securities where the Minimum Amount is less than the Nominal Amount, the following applies: The Redemption Amount is less than the Nominal Amount.] [In the case of Garant Cap Rainbow Securities, the following applies: Furthermore, the Redemption Amount is not greater than the Maximum Amount.]

**[In the case of Garant Rainbow Securities, insert:**

The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "**Redemption Amount**"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

The Redemption Amount is not less than the Minimum Amount.

**[In the case of Garant Cap Rainbow Securities, insert:**

The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "**Redemption Amount**"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

The Redemption Amount is not less than the Minimum Amount and not greater than the Maximum Amount.]

*Definitions*

Name of the Basket Components	ISIN	Basket Component <sub>i best</sub>	Weighting <sub>i best</sub> (W <sub>i</sub> )
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		[Insert]	[Insert]	i=1 (best Performance)	[Insert]
<p>"<b>Basket Component<sub>i best</sub></b>" means the following Basket Component:</p> <p>"<b>Basket Component<sub>i best</sub> (where i = 1)</b>" means the Basket Component<sub>i best</sub> with the best Performance.</p> <p>"<b>Basket Component<sub>i best</sub> (where i = 2,...N)</b>" means the Basket Component that is different from all Basket Components<sub>j best</sub> (where j = 1,...(i-1)) with the best Performance, i.e. Basket Component<sub>i best</sub> with the second-best Performance, and so on.</p> <p>"<b>Performance of the Underlying</b>" means the average Performance of the respective Basket Components<sub>i best</sub>. The Performance of the respective Basket Component<sub>i best</sub> is equal to <math>K_{i best}</math> (final) divided by <math>K_{i best}</math> (initial). The Performance of Basket Component<sub>i best</sub> (i=1) with the best Performance is multiplied by the highest Weighting<sub>i best</sub> (i=1), the Performance of Basket Component<sub>i best</sub> (i=2) with the second best Performance is multiplied by the second highest Weighting<sub>i best</sub> (i=2), etc.</p> <p><math>K_{i best}</math> (final) means <math>K_i</math> (final) of the Basket Component<sub>i best</sub>.</p> <p><math>K_i</math> (final) is specified in C.19.</p> <p><math>K_{i best}</math> (initial) means <math>K_i</math> (initial) of the Basket Component<sub>i best</sub>.</p> <p>[<math>K_i</math> (initial) is specified in the Annex to this Summary.][<math>K_i</math> (initial) means [Insert]].</p> <p>Floor Level, Participation Factor, Strike, Minimum Amount [and Maximum Amount] are specified in the Annex to this Summary.] [Maximum Amount means [Insert].]</p> <p><b><u>Option 7: In the case of Fund Index Performance Telescope Securities, insert:</u></b></p> <p>Fund Index Performance Telescope Securities are Securities where the redemption on the Maturity Date is based on the Performance of the Underlying. Performance of the Underlying means the quotient of R (final) (as specified in C.19), as the numerator, and R (initial) as the denominator. [R (initial) is specified in the Annex to this Summary] [R (initial) means [Insert]]. The Security Holder receives at least a specified minimum redemption payment. <u>[In the case of Fund Index Performance Telescope Securities with a Minimum Amount where the Minimum Amount is less than the Nominal Amount, the following applies:</u> The Redemption Amount is less than the Nominal Amount.] <u>[In the case of Fund Index Performance Telescope Securities with a Minimum Amount and a Cap, the following applies:</u> Furthermore, the Redemption Amount will not be greater than the Maximum Amount.] Furthermore, [upon occurrence of an Income Payment Event,] on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the Performance of the Underlying (k), taking into account the Participation Factor (as specified in the Annex to this Summary) and the respective D (k). The Performance of the Underlying (k) is equal to the difference between (i) the quotient of R (k), as the numerator, and R (initial), as the denominator, and (ii) the Strike Level, divided by D (k). D (k) and the Strike Level are specified in the Annex to this Summary. R (k) means the Reference Price on the respective Observation Date (k).</p> <p><b><u>In the case of Quanto Securities, insert:</u></b></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the</p>					

	<p>Underlying Currency is equal to one unit of the Specified Currency.]</p> <p><b>Additional Amount</b></p> <p>[If an Income Payment Event occurs on an Observation Date (k) (as specified in the Annex to this Summary), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Annex to this Summary).</p> <p>An Income Payment Event means that R (k), as determined on the respective Observation Date (k), is greater than the Strike. [The Strike is specified in the Annex to this Summary] [Strike means Strike Level x R (initial), where the Strike Level is specified in the Annex to this Summary].</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k), as determined using the following formula:</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Annex to this Summary).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]</p> <p><u><i>[In the case of Fund Index Performance Telescope Securities with a Minimum Amount, the following applies:</i></u></p> <p><b>Redemption</b></p> <p>The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount.]</p> <p><u><i>[In the case of Fund Index Performance Telescope Securities with a Minimum Amount and a Cap, the following applies:</i></u></p> <p><b>Redemption</b></p> <p>The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount and shall not be greater than the Maximum Amount.]</p> <p>The Floor Level, the Participation Factor (final), the Final Strike Level[,] [and] the Minimum Amount [and the Maximum Amount] are specified in the Annex to this Summary. [Maximum Amount means [Insert].]</p> <p>]</p> <p><u><i>[Option 8: In the case of Garant Performance Telescope Securities, insert:</i></u></p> <p>Garant Performance Telescope Securities are Securities where the redemption on the Maturity Date is based on the Performance of the Underlying. Performance of the Underlying means the quotient of R (final) (as specified in C. 19), as the numerator, and R (initial) as the denominator. [R (initial) is specified in the Annex to this Summary] [R (initial) means [Insert].</p> <p>The Security Holder receives at least one specified minimum redemption payment. <u><i>[In the case of Garant Performance Telescope Securities with a Minimum Amount where the Minimum Amount is less than the Nominal Amount, the following applies:</i></u> The Redemption Amount is less than the</p>
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	<p>Nominal Amount.] <u><i>[In the case of <b>Garant Performance Telescope Securities with a Minimum Amount and a Cap</b>, the following applies:</i></u> Furthermore, the Redemption Amount will not be greater than the Maximum Amount.]</p> <p>Furthermore, [upon occurrence of an Income Payment Event,] on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the Performance of the Underlying (k), taking into account the Participation Factor (as specified in the Annex to this Summary) and the respective D (k). The Performance of the Underlying (k) is equal to the difference between (i) the quotient of R (k), as the numerator, and R (initial), as the denominator, and (ii) the Strike Level, divided by D (k). D (k) and the Strike Level are specified in the Annex to this Summary. R (k) means the Reference Price on the respective Observation Date (k).</p> <p><u><i>[In the case of <b>Quanto Securities</b>, insert:</i></u></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p><b>Additional Amount</b></p> <p>[If an Income Payment Event occurs on an Observation Date (k) (as specified in the Annex to this Summary), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Annex to this Summary).</p> <p>An Income Payment Event means that R (k), as determined on the respective Observation Date (k), is greater than the Strike. [The Strike is specified in the Annex to this Summary] [Strike means Strike Level x R (initial), where the Strike Level is specified in the Annex to this Summary].</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k), as determined using the following formula:</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Annex to this Summary).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]</p> <p><u><i>[In the case of <b>Garant Performance Telescope Securities with a Minimum Amount</b>, the following applies:</i></u></p> <p><b>Redemption</b></p> <p>The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount.]</p> <p><u><i>[In the case of <b>Garant Performance Telescope Securities with a Minimum Amount and a Cap</b>, the following applies:</i></u></p> <p><b>Redemption</b></p> <p>The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Perfor-</p>
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	<p>mance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount and shall not be greater than the Maximum Amount.]</p> <p>The Floor Level, the Participation Factor (final), the Final Strike Level[,] [and] the Minimum Amount [and the Maximum Amount] are specified in the Annex to this Summary. [Maximum Amount means [Insert].]</p> <p>]</p> <p><b><u>Option 9: In the case of Garant Performance Telescope Basket Securities, insert:</u></b></p> <p>Garant Performance Telescope Basket Securities are Securities where the redemption on the Maturity Date is based on the Performance of the Underlying. The Underlying is a basket consisting of a number of Basket Components. The Performance of the Underlying (basket) is equal to the average Performance of the Basket Components, which are taken into account according to their Weighting. The Security Holder participates in the Performance of the Underlying in accordance with the Participation Factor (final), benefiting from rising Performance of the Underlying in relation to the Final Strike Level. The Performance of the Underlying means the average Performance of the relevant Basket Components<sub>i</sub> (as specified in the Annex to this Summary) on the Final Observation Date (as specified in C.16), which are taken into account according to their Weighting<sub>i</sub> (as specified in the Annex to this Summary). The Performance of the relevant Basket Component<sub>i</sub> is equal to K<sub>i</sub> (final) (as defined in C.19) divided by K<sub>i</sub> (initial). [K<sub>i</sub> (initial) means [Insert]]. [K<sub>i</sub> (initial) is specified in the Annex to this Summary.]</p> <p>The Security Holder receives at least one specified minimum redemption payment. <b><u>In the case of Garant Performance Telescope Basket Securities with a Minimum Amount where the Minimum Amount is less than the Nominal Amount, the following applies:</u></b> The Redemption Amount is less than the Nominal Amount.] <b><u>In the case of Garant Performance Telescope Cap Basket Securities, the following applies:</u></b> Furthermore, the Redemption Amount will not be greater than the Maximum Amount.]</p> <p>Furthermore, [upon occurrence of an Income Payment Event,] on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the Performance of the Underlying (k), taking into account the Participation Factor (as specified in the Annex to this Summary) and the respective D (k) (as specified in the Annex to this Summary). The "<b>Performance of the Underlying (k)</b>" is the average Performance of the relevant Basket Components<sub>i</sub> on the relevant Observation Date (k), which are taken into account according to their Weighting<sub>i</sub>. The Performance of the relevant Basket Component<sub>i</sub> on the relevant Observation Date (k) is equal to K<sub>i</sub> (k) divided by K<sub>i</sub> (initial). K<sub>i</sub> (k) means the Reference Price of the Basket Component<sub>i</sub> on the respective Observation Date (k). K<sub>i</sub> (k) and K<sub>i</sub> (initial) are specified in the Annex to this Summary.</p> <p><b><u>In the case of Quanto Securities, insert:</u></b></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p><b>Additional Amount</b></p> <p>[If an Income Payment Event occurs on an Observation Date (k) (as specified in the Annex to this Summary), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) (as specified in</p>
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	<p>the Annex to this Summary).</p> <p>An Income Payment Event means that the Performance of the Underlying (k) is greater than the Strike (as specified in the Annex to this Summary).</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount x (Performance of the Underlying (k) - Strike) x Participation Factor x 1/D (k).</p> <p>[The Additional Amount (k) is not greater than the Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k), as determined using the following formula:</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount x (Performance of the Underlying (k) - Strike) x Participation Factor x 1/D (k).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Annex to this Summary).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]</p> <p><u><i>[In the case of <b>Garant Performance Telescope Basket Securities</b>, the following applies:</i></u></p> <p><b>Redemption</b></p> <p>The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount.]</p> <p><u><i>[In the case of <b>Garant Performance Telescope Cap Basket Securities</b>, the following applies:</i></u></p> <p><b>Redemption</b></p> <p>The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount and shall not be greater than the Maximum Amount.]</p> <p>The Floor Level, the Participation Factor (final), the Final Strike Level[,] [and] the Minimum Amount [and the Maximum Amount] are specified in the Annex to this Summary.]</p> <p><u><i>[Option 10 and Option 12: In the case of <b>Fund Index Telescope Securities and Garant Telescope Securities</b>, insert:</i></u></p> <p>[Fund Index Telescope Securities] [Garant Telescope Securities] are Securities where the payment of the Additional Amount (k) is based on the Performance of the Underlying (k), taking into account the Participation Factor (as specified in the Annex to this Summary) and the respective D (k) (as specified in the Annex to this Summary). Performance of the Underlying means the quotient of R (final) (as specified in C. 19), as the numerator, and R (initial) as the denominator. [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert]</i>].</p> <p><u><i>[In the case of <b>Quanto Securities</b>, insert:</i></u></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p>[If an Income Payment Event occurs on an Observation Date (k) (as specified in the Annex to this Summary), the respective Additional Amount (k) will be</p>
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	<p>paid on the respective Additional Amount Payment Date (k) (as specified in the Annex to this Summary).</p> <p>An Income Payment Event means that R (k), as determined on the respective Observation Date (k), is greater than the Strike. [The Strike is specified in the Annex to this Summary] [Strike means Strike Level x R (initial), where the Strike Level is specified in the Annex to this Summary]. R (k) means the Reference Price on the respective Observation Date (k).</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>[The "<b>Performance of the Underlying (k)</b>" is equal to the difference between (i) the quotient of R (k), as the numerator, and R (initial), as the denominator, and (ii) the Strike Level, divided by D (k). In the case of Securities with a Maximum Additional Amount (k) the respective Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).][The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k)</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Annex to this Summary).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]]</p> <p><b><u>Option 11 and 13: In the case of Fund Index Geoscope Securities and Garant Geoscope Securities, insert:</u></b></p> <p>[Fund Index Geoscope Securities] [Garant Geoscope Securities] are Securities where the payment of the Additional Amount (k) is based on the Geometric Average Performance of the Underlying (k), taking into account the Participation Factor (as specified in the Annex to this Summary). Performance of the Underlying means the quotient of R (final) (as specified in C. 19), as the numerator, and R (initial) as the denominator. [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert]</i>].</p> <p><b><u>In the case of Quanto Securities, insert:</u></b></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency relating to the Underlying (the "<b>Underlying Currency</b>") is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p>[If an Income Payment Event occurs on an Observation Date (k) (as specified in the Annex to this Summary), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Annex to this Summary).</p> <p>An Income Payment Event means that the Geometric Average Performance of the Underlying (k) is greater than the Strike Level (as specified in the Annex to this Summary).</p> <p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the difference between the Geometric Average Performance of the Underlying (k) and the Strike Level.</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).</p>
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	<p>The "<b>Additional Amount (k)</b>" is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the difference between the Geometric Average Performance of the Underlying (k) and the Strike Level (as specified in the Annex to this Summary).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Annex to this Summary).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p><b><u>Option 14: In the case of Securities linked to Target Vol Strategies, insert:</u></b></p> <p>The value of the Securities during their term depends decisively on the Level of the Target Vol Strategy (the "<b>Level of the Target Vol Strategy</b>"), which is linked to the performance of the Underlying and the Reference Rate under consideration of a Dynamic Weighting and certain fees. If the Level of the Target Vol Strategy rises, the value of the Securities regularly rises. If the Level of the Target Vol Strategy falls, the value of the Securities regularly falls.</p> <p>Redemption on the Maturity Date depends on the performance of the Level of the Target Vol Strategy. The Dynamic Weighting (the "<b>Dynamic Weighting</b>") depends on the volatility of the Underlying relative to the Target Volatility. The Reference Rate is taken into account with a weight at the difference between 100% and the Dynamic Weighting. Generally speaking [(without considering the deduction of fees)]: If the volatility of the Underlying is higher than the Target Volatility then the Level of the Target Vol Strategy participates with less than 100% in the performance of the Underlying, subject to a Minimum Weight, and the Reference Rate is taken into account with a positive weight. If the volatility of the Underlying is less than the Target Volatility then the Level of the Target Vol Strategy participates with more than 100% in the performance of the Underlying, subject to a Maximum Weight, and the Reference Rate is taken into account with a negative weight. The Security Holder participates in the performance of the Level of the Target Vol Strategy under consideration of the Participation Factor, benefiting from a rising Level of the Target Vol Strategy in relation to the Strike. The Security Holder receives at least the Minimum Amount. <b><u>[In the case of Securities linked to Target Vol Strategies where the Minimum Amount is less than the Nominal Amount, the following applies:</u></b> The Minimum Amount is less than the Nominal Amount.]</p> <p><b><u>[In the case of Quanto Securities, insert:</u></b></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the currency of the Basket Components (as defined in C.20) is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the currency of the Basket Components is equal to one unit of the Specified Currency.]</p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "<b>Redemption Amount</b>"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (R (final) / R (initial) – Strike)).</p> <p>The Redemption Amount is not less than the Minimum Amount.</p> <p>Floor Level, Maximum Weight, Minimum Amount, Minimum Weight, Participation Factor, [R (initial),] Reference Rate, Strike and Target Volatility are specified in the Annex to this Summary.</p> <p><b>["R (initial)"]</b> means the [arithmetic average of the] Level[s] of the Target Vol Strategy on the Final Observation Date[s] (as defined in C.16).]R (final) is defined in C.19.]]</p>
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[C.16 <sup>9</sup>	The expiration or maturity date of the derivative securities – the exercise date or final reference date	<p>The "<b>Final Observation Date[s]</b>" and the "<b>Maturity Date</b>" are defined in the Annex to this Summary.</p> <p>"<b>Exercise Date</b>" means the [last] Final Observation Date.</p> <p><u><i>[In the case of Securities with a Best-out feature, the following applies:</i></u></p> <p>"<b>Best-out Period</b>" means [Insert relevant day(s)] from and including the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]</p> <p><u><i>[In the case of Securities with a Worst-out feature, the following applies:</i></u></p> <p>"<b>Worst-out Period</b>" means [Insert relevant day(s)] between the First Day of the Worst-out Period (including) and the Final Observation Date (including).]]</p>
[C.17 <sup>10</sup>	Settlement procedure of the securities	<p>All payments shall be made to [Insert name and address of paying agent] (the "<b>Principal Paying Agent</b>"). The Principal Paying Agent shall pay the amounts due to the Clearing System for credit to the respective accounts of the depository banks for transfer to the Security Holders.</p> <p>The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.</p> <p>"<b>Clearing System</b>" means [Insert].</p>
[C.18 <sup>11</sup>	Description of how any return on derivative securities takes place	<p><u><i>[In the case of all Securities other than Fund Index Telescope Securities, Garant Telescope Securities, Fund Index Geoscope Securities and Garant Geoscope Securities insert:</i></u></p> <p>Payment of the Additional Amount (k) on the Additional Amount Payment Date (k).]</p> <p><u><i>[In the case of Fund Reverse Convertible Securities, the following applies:</i></u></p> <p>Payment of the Interest Amount on the Interest Payment Date.]</p> <p><u><i>[In the case of Securities with Cash Settlement, insert:</i></u></p> <p>Payment of the Redemption Amount on the Maturity Date upon automatic exercise.]</p> <p><u><i>[In the case of Fund Reverse Convertible Securities with Cash Settlement or Physical Settlement insert:</i></u></p> <p>Payment of the Redemption Amount on the Maturity Date or delivery of the Underlyings (and, in case, payment of the Supplemental Cash Amount) within five Payment Days after the Maturity Date upon automatic exercise.]]</p> <p><u><i>[In the case of Fund Index Telescope Securities, Garant Telescope Securities, Fund Index Geoscope Securities and Garant Geoscope Securities insert:</i></u></p> <p>The Securities will be redeemed on the Maturity Date at the Redemption Amount in the Specified Currency.</p>

<sup>9</sup> This Element C.16 is applicable to all Securities other than Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

<sup>10</sup> This Element C.17 is applicable to all Securities other than Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

<sup>11</sup> This Element C.18 is applicable to all Securities other than Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

		<p>The "<b>Redemption Amount</b>" is equal to the Minimum Amount.  The "<b>Minimum Amount</b>" is defined in the Annex to this Summary.]  See also Element C. 15 above.]</p>
[C.19 <sup>12</sup>	Exercise price or final reference price of the underlying	<p><u>[In the case of <b>Garant Securities</b>, the following applies:</u></p> <p><u>[In the case of Securities with final reference price observation, the following applies:</u></p> <p><u>[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:</u></p> <p>"<b>R (final)</b>" means the value of the product of Reference Price (as defined in the Annex to this Summary) and Reference Price Adjustment Factor (as specified in the Annex to this Summary) on the Final Observation Date (as defined in C.16).]</p> <p><u>[In other cases, the following applies:</u></p> <p>"<b>R (final)</b>" means the Reference Price (as defined in the Annex to this Summary) on the Final Observation Date (as defined in C.16).]</p> <p><u>[In the case of Securities with final average observation, the following applies:</u></p> <p><u>[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:</u></p> <p>"<b>R (final)</b>" means the equally weighted average of the products of Reference Prices (as defined in the Annex to this Summary) and Reference Price Adjustment Factors, determined on the Final Observation Dates (as defined in C.16).]</p> <p><u>[In other cases, the following applies:</u></p> <p>"<b>R (final)</b>" means the equally weighted average of the Reference Prices (as defined in the Annex to this Summary) determined on the Final Observation Dates (as defined in C.16).]</p> <p><u>[In the case of Securities with Worst-out observation, the following applies:</u></p> <p><u>[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:</u></p> <p>"<b>R (final)</b>" means the lowest value of the product of Reference Price (as defined in the Annex to this Summary) and Reference Price Adjustment Factor during the Worst-out Period (as defined in C.16).]</p> <p><u>[In other cases, the following applies:</u></p> <p>"<b>R (final)</b>" means the lowest Reference Price (as defined in the Annex to this Summary) during the Worst-out Period (as defined in C.16).]</p> <p><u>[In the case of Securities with Best-out observation, the following applies:</u></p> <p><u>[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency,</u></p>

<sup>12</sup> This Element C.19 is applicable to all Securities other than Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

	<p><i>the following applies:</i></p> <p>"<b>R (final)</b>" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-out Period.]</p> <p><i>[In other cases, the following applies:</i></p> <p>"<b>R (final)</b>" means the highest Reference Price (as defined in the Annex to this Summary) during the Best-out Period.]</p> <p>]</p>						
	<p><u><i>[In the case of Fund Index Securities, Fund Reverse Convertible Securities and Sprint Securities, Fund Index Performance Telescope Securities, Garant Performance Telescope Securities the following applies:</i></u></p> <p><u><i>[In the case of Securities with final Reference Price observation, the following applies:</i></u></p> <p>"<b>R (final)</b>" means the Reference Price (as defined in the Annex to this Summary) on the Final Observation Date (as defined in C.16).]</p> <p><u><i>[In the case of Securities with final average observation, the following applies:</i></u></p> <p>"<b>R (final)</b>" means the equally weighted average of the Reference Prices (as defined in the Annex to this Summary) determined on the Final Observation Dates (as defined in C.16).]</p> <p><u><i>[In the case of Securities with Worst-out observation, the following applies:</i></u></p> <p>"<b>R (final)</b>" means the lowest Reference Price (as defined in the Annex to this Summary) during the Worst-out Period (as defined in C.16).]</p> <p><u><i>[In the case of Securities with Best-out observation, the following applies:</i></u></p> <p>"<b>R (final)</b>" means the highest Reference Price (as defined in the Annex to this Summary) during the Best-out Period (as defined in C.16).]</p> <p>]</p>						
	<p><u><i>[In the case of Garant Basket Securities and Garant Performance Telescope Basket Securities, the following applies:</i></u></p> <table border="1" data-bbox="488 1346 1386 1480"> <thead> <tr> <th data-bbox="488 1346 788 1431">ISIN</th> <th data-bbox="788 1346 1086 1431">Basket Component<sub>i</sub></th> <th data-bbox="1086 1346 1386 1431">Reference Price<sub>i</sub></th> </tr> </thead> <tbody> <tr> <td data-bbox="488 1431 788 1480">[Insert]</td> <td data-bbox="788 1431 1086 1480">[Insert]</td> <td data-bbox="1086 1431 1386 1480">[Insert]</td> </tr> </tbody> </table> <p><u><i>[In the case of Securities with final reference price observation, the following applies:</i></u></p> <p>"<b>K<sub>i</sub> (final)</b>" means the Reference Price of the Basket Component<sub>i</sub> on the Final Observation Date (as defined in C.16).]</p> <p><u><i>[In the case of Securities with final average observation, the following applies:</i></u></p> <p>"<b>K<sub>i</sub> (final)</b>" means the equally weighted average of the Reference Prices of the Basket Component<sub>i</sub>, determined on the Final Observation Dates (as defined in C.16).]</p> <p><u><i>[In the case of Securities with Best-out observation, the following applies:</i></u></p> <p>"<b>K<sub>i</sub> (final)</b>" means the highest Reference Price of the Basket Component<sub>i</sub> during the Best-out Period.]</p> <p>]</p>	ISIN	Basket Component <sub>i</sub>	Reference Price <sub>i</sub>	[Insert]	[Insert]	[Insert]
ISIN	Basket Component <sub>i</sub>	Reference Price <sub>i</sub>					
[Insert]	[Insert]	[Insert]					

		<p><u><i>[In the case of <b>Garant Rainbow Securities</b>, the following applies:</i></u></p> <table border="1" data-bbox="488 206 1386 340"> <thead> <tr> <th data-bbox="488 206 788 288">ISIN</th> <th data-bbox="788 206 1088 288">Basket Component<sub>i</sub></th> <th data-bbox="1088 206 1386 288">Reference Price<sub>i</sub></th> </tr> </thead> <tbody> <tr> <td data-bbox="488 288 788 340">[Insert]</td> <td data-bbox="788 288 1088 340">[Insert]</td> <td data-bbox="1088 288 1386 340">[Insert]</td> </tr> </tbody> </table> <p><u><i>[In the case of Securities with final reference price observation, the following applies:</i></u></p> <p>"<b>K<sub>i best (final)</sub></b>" means the Reference Price of the Basket Component<sub>i best</sub> on the Final Observation Date (as defined in C.16).]</p> <p><u><i>[In the case of Securities with final average observation, the following applies:</i></u></p> <p>"<b>K<sub>i best (final)</sub></b>" means the equally weighted average of the Reference Prices of the Basket Component<sub>i best</sub>, determined on the Final Observation Dates (as defined in C.16).]</p> <p><u><i>[In the case of Securities with Best-out observation, the following applies:</i></u></p> <p>"<b>K<sub>i best (final)</sub></b>" means the highest Reference Price of the Basket Component<sub>i best</sub> during the Best-out Period.]</p> <p>]]</p> <p><u><i>[In the case of Securities linked to Target Vol Strategies, the following applies:</i></u></p> <table border="1" data-bbox="488 974 1386 1077"> <thead> <tr> <th data-bbox="488 974 788 1025">ISIN</th> <th data-bbox="788 974 1088 1025">Basket Component<sub>i</sub></th> <th data-bbox="1088 974 1386 1025">Reference Price<sub>i</sub></th> </tr> </thead> <tbody> <tr> <td data-bbox="488 1025 788 1077">[Insert]</td> <td data-bbox="788 1025 1088 1077">[Insert]</td> <td data-bbox="1088 1025 1386 1077">[Insert]</td> </tr> </tbody> </table> <p><u><i>[In the case of Securities with final Reference Price observation, the following applies:</i></u></p> <p>"<b>R (final)</b>" means the Level of the Target Vol Strategy on the Final Observation Date.]</p> <p><u><i>[In the case of Securities with final average observation, the following applies:</i></u></p> <p>"<b>R (final)</b>" means the arithmetic average of the Levels of the Target Vol Strategy on the Final Observation Dates.]]</p> <p>]</p>	ISIN	Basket Component <sub>i</sub>	Reference Price <sub>i</sub>	[Insert]	[Insert]	[Insert]	ISIN	Basket Component <sub>i</sub>	Reference Price <sub>i</sub>	[Insert]	[Insert]	[Insert]
ISIN	Basket Component <sub>i</sub>	Reference Price <sub>i</sub>												
[Insert]	[Insert]	[Insert]												
ISIN	Basket Component <sub>i</sub>	Reference Price <sub>i</sub>												
[Insert]	[Insert]	[Insert]												
[C.20 <sup>13</sup>	Type of the underlying and description where information on the underlying can be found	<p><u><i>[In the case of <b>Garant Securities, Fund Reverse Convertible Securities, Fund Index Securities, Sprint Securities, Fund Index Performance Telescope Securities and Garant Performance Telescope Securities</b>, the following applies:</i></u></p> <p>Descriptions of the Underlying are specified in the table in the Annex to this Summary. For further information about the past and the future performance of the Underlying and its volatility, please refer to the Website (or any successor website), as specified in the Annex to this Summary.]</p> <p><u><i>[In the case of <b>Garant Basket Securities, Garant Rainbow Securities, Garant Performance Telescope Basket Securities and Securities linked to Target Vol Strategies</b> the following applies:</i></u></p> <p>"<b>Underlying</b>" means a basket with the following basket components (the "<b>Basket Components</b>"):</p>												

<sup>13</sup> This Element C.20 is applicable to all Securities other than Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

		ISIN: [Insert]					
		Basket Component <sub>i</sub>	[Bloomberg]	[Weighting (W <sub>i</sub> )]	[Currency of the Basket Components <sub>i</sub> ]	[WKN <sub>i</sub> ] [ISIN]	Website <sub>i</sub>
		[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
		For further information about [the Basket Components and] the past and the future performance of the Basket Components and their volatility, please refer to the Website <sub>i</sub> , as specified in the table above (or any successor website).]					
[C.21 <sup>14</sup> ]	Indication of the market where the securities will be traded and for which prospectus has been published.	[Application [has been] [will be] made for the Securities to be admitted to trading with effect from [Insert expected date] on the following regulated markets: [regulated market of the Luxembourg Stock Exchange] [Insert other relevant regulated or equivalent market(s)].] [The Securities are already admitted to trading on the following regulated or other equivalent markets: [Insert relevant regulated or other equivalent market(s)].]					

#### D. RISKS

D.2	Key information on the key risks that are specific to the Issuer [and the Guarantor]	<p><u>[In the case of Securities issued by UniCredit International Luxembourg, the following applies:</u></p> <p>In purchasing Securities, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Securities. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due in respect of the Securities. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. The Issuer and the Guarantor have identified a number of factors which could materially adversely affect their businesses and ability to make payments due under the Securities. These factors include:</p> <ul style="list-style-type: none"> <li>• risks concerning liquidity which could affect the Group's ability to meet its financial obligations as they fall due;</li> <li>• the UniCredit Group's results of operations, business and financial condition have been and will continue to be affected by adverse macroeconomic and market conditions;</li> <li>• the European sovereign debt crisis has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition;</li> <li>• the Group has exposure to European sovereign debt;</li> <li>• the liquidity available at country level could be subject to restrictions due to legal regulatory and political constraints;</li> <li>• systemic risk could adversely affect the Group's business;</li> </ul>
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<sup>14</sup> This Element C.21 only applies to Securities with a denomination of EUR 100,000 or higher.

		<ul style="list-style-type: none"> <li>• risks connected to an economic slowdown and volatility of the financial markets – credit risk;</li> <li>• deteriorating asset valuations resulting from poor market conditions may adversely affect the Group’s future earnings;</li> <li>• the economic conditions of the geographic markets in which the Group operates have had, and may continue to have, adverse effects on the Group’s results of operations, business and financial condition;</li> <li>• non-traditional banking activities expose the Group to additional credit risks;</li> <li>• unidentified or unanticipated risks, by their nature, might not be captured in the current Group's risk management policies;</li> <li>• fluctuations in interest and exchange rates may affect the Group’s results;</li> <li>• changes in the Italian and European regulatory framework could adversely affect the Group’s business;</li> <li>• the implementation of Basel III and CRD IV;</li> <li>• forthcoming regulatory changes;</li> <li>• the Single Supervisory Mechanism;</li> <li>• the bank recovery and resolution directive entered into force on 2 July 2014 and is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Securities;</li> <li>• as of 2016 the UniCredit Group will be subject to the provisions of the Regulation establishing the Single Resolution Mechanism;</li> <li>• the UniCredit Group may be subject to a proposed EU regulation on mandatory separation of certain banking activities;</li> <li>• the UniCredit Group may be affected by a proposed EU Financial Transactions Tax;</li> <li>• the UniCredit Group may be affected by new accounting and regulatory standards;</li> <li>• operational and IT risks are inherent in the Group’s business;</li> <li>• intense competition, especially in the Italian market, where the Group has a substantial part of its businesses, could have a material adverse effect on the Group’s results of operations and financial condition;the Group may fail to implement its 2013-2018 Strategic Plan;</li> <li>• risks related to the Goodwill Impairment Test;</li> <li>• any rating downgrades of UniCredit or other entities of the Group would increase the re-financing costs of the Group and may limit its access to the financial markets and other sources of liquidity;</li> <li>• as at the date of this Base Prospectus, there are certain legal proceedings pending against UniCredit and other companies belonging to the Group;</li> <li>• the Group is involved in pending tax proceedings.</li> </ul> <p>The Guarantor is also subject to a certain level of uncertainty and professional judgment for the determination of the fair value of the shareholding held by UniCredit in the Bank of Italy.]</p>
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	<p><u><i>[In the case of Securities issued by HVB, the following applies:</i></u></p> <p><i>Potential investors should be aware that in the case of the occurrence of one of the below mentioned risk factors the Securities may decline in value and that they may sustain a <b>total loss</b> of their investment.</i></p> <ul style="list-style-type: none"> <li>• <b>Macroeconomic Risk</b> Risks from a deterioration in the macroeconomic development and/or the financial markets and from geopolitical uncertainties.</li> <li>• <b>Systemic Risk</b> Risks from disruptions or the functional collapse of the financial system or parts of it.</li> <li>• <b>Credit Risk</b> (i) Risks from changes in the credit rating of a contracting party (borrower, counterparty, issuer or country); (ii) risks from a deterioration of the overall economic situation and negative effects on the demand for credit and the solvency of the borrowers of HVB Group; (iii) risks from a decrease in value of credit collateral; (iv) risks from derivative/trading business; (v) risks from intra-Group exposures; (vi) risks from government bonds held by the bank.</li> <li>• <b>Market Risk</b> (i) Risk for trading and banking books from a deterioration in market conditions; (ii) interest rate and exchange rate risks from the general banking business.</li> <li>• <b>Liquidity Risk</b> (i) Risk that the bank will not be able to meet its payment obligations in full or on time; (ii) risks from the procurement of liquidity; (iii) risks from intra-Group liquidity transfers; (iv) market liquidity risk.</li> <li>• <b>Operational Risk</b> (i) Risk of losses resulting from flawed internal processes or systems, human error or external events; (ii) IT risks; (iii) risks from fraud; (iv) legal and tax risks; (v) compliance risk.</li> <li>• <b>Business Risk</b> Risks of losses arising from unexpected negative changes in the business volume and/or margins.</li> <li>• <b>Real estate Risk</b> Risk of losses resulting from changes in the fair value of the real estate portfolio of HVB Group.</li> <li>• <b>Financial investment Risk</b> Risk of decreases in the value of the investment portfolio of the HVB Group.</li> <li>• <b>Reputational Risk</b> Risk of a negative P/L effect caused by adverse reactions by stakeholders due to a changed perception of the bank.</li> <li>• <b>Strategic Risk</b> (i) Risk that results from management being slow to recognise important developments in the banking sector or drawing false conclusions about these trends; (ii) risks arising from the strategic orientation of HVB Group's business model; (iii) risks arising from the consolidation of the banking market; (iv) risks arising from changing competitive conditions in the German financial sector; (v) risks arising from a change in HVB's rating.</li> <li>• <b>Regulatory Risks</b> (i) Risks arising from changes to the regulatory and statutory environment of</li> </ul>
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		<p>HVB Group; (ii) risks arising from the introduction of new charges and taxes to stabilise the financial markets and involve banks in the sharing of costs for the financial crisis; (iii) risks in connection with potential resolution measures or a reorganisation proceeding.</p> <ul style="list-style-type: none"> <li>• Pension Risk</li> </ul> <p>Risk that the pension provider will have to provide additional capital to service the vested pension commitments.</p> <ul style="list-style-type: none"> <li>• Risks arising from outsourcing activities</li> </ul> <p>Cross-risk-type, which affects the following risk types in particular: operational risk, reputational risk, strategic risk, business risk, credit, market and liquidity risk.</p> <ul style="list-style-type: none"> <li>• Risks from concentrations of risk and earnings</li> </ul> <p>Risks from concentrations of risk and earnings indicate increased potential losses and represent a business-strategy risk for the Bank.</p> <ul style="list-style-type: none"> <li>• Risks from the stress testing measures imposed on HVB Group</li> </ul> <p>The business performance of HVB Group could be negatively affected in case of a poor stress test performance by HVB Group, HVB, UniCredit S.p.A. or one of the financial institutions with which they do business.</p> <ul style="list-style-type: none"> <li>• Risks from inadequate risk measurement models</li> </ul> <p>It is possible that the internal models of HVB Group could be rated as inadequate following investigations or verification through the regulatory authorities, or that they could underestimate existing risks.</p> <ul style="list-style-type: none"> <li>• Unidentified/unexpected risks</li> </ul> <p>HVB Group could incur greater losses than those calculated with the current risk management methods or losses previously left out of its calculations entirely.]</p>
[D.3 <sup>15</sup>	Key information on the key risks that are specific to the securities	<p>In the opinion of the Issuer, the key risks described below may, with regard to the Security Holder, adversely affect the value of the Securities and/or the amounts to be distributed (including the delivery of any quantity of Underlyings or its components to be delivered) under the Securities and/or the ability of Security Holders to sell the Securities at a reasonable price prior to the maturity date of the Securities.</p> <ul style="list-style-type: none"> <li>• <b>Potential conflicts of interest</b></li> </ul> <p>The risk of conflicts of interest (as described in E.4) is related to the possibility that the Issuer, the Guarantor, distributors or agents or any of their affiliates, in relation to certain functions or transactions, may pursue interests which may be adverse to or do not regard the interests of the Security Holders.</p> <ul style="list-style-type: none"> <li>• <b>Key risks related to the Securities</b></li> </ul> <p><b><i>Key risks related to the market</i></b></p> <p>Under certain circumstances a Security Holder may not be able to sell his Securities at all or at an adequate price prior to their redemption.</p> <p>The market value of the Securities will be affected by the creditworthiness of the Issuer and a number of other factors (e.g., exchange rates, prevailing interest and yield rates, the market for similar securities, the general economic, political and cyclical conditions, the tradability of the Securities and Underlying-related factors) and may be substantially lower than the Nominal</p>

<sup>15</sup> This Element D.3 is only applicable to Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

	<p>Amount or the Purchase Price.</p> <p>Security Holders may not rely on being able to sufficiently hedge against price risks arising from the Securities at any time.</p> <p><b><i>Key risks related to the Securities in general</i></b></p> <p>The Issuer may possibly fail to perform its obligations under the Securities in whole or in part, e.g., in case of an insolvency of the Issuer or due to governmental or regulatory interventions. Such risk is not protected by a deposit protection scheme or any similar compensation scheme.</p> <p>An investment into the Securities may be illegal or unfavourable for a potential investor or not suitable, with regard to his knowledge or experience and his financial needs. The real rate of return of an investment into the Securities may be reduced or may be zero or even negative (e.g., due to incidental costs in connection with the purchase, holding and disposal of the Securities, future money depreciation (inflation) or tax effects). The redemption amount may be less than the Issue Price or the respective purchase price and, under certain circumstances, no interest or ongoing payments will be made.</p> <p>The proceeds from the Securities may possibly not be sufficient to make interest or principal payments arising from a financing purchase of the Securities and require additional capital.</p> <p><b><i>Risks related to Underlying-linked Securities</i></b></p> <p>(i) Risks arising from the influence of the Underlying on the market value of the Securities; (ii) risks arising from the fact that the observation of the Underlying occurs only at a specified date or time; (iii) risks due to only partial capital protection by the Minimum Amount; (iv) risks arising from the impact of thresholds or limits; (v) risks in relation to a Participation Factor; (vi) risks with respect to a Floor Level, a Strike Level, Final Strike Level and/or a Strike; (vii) risks in relation to a ratio; (viii) risks due to a limitation of potential returns to a Maximum Amount or due to other limitations; (ix) specific risks in respect of Fund Index Performance Telescope Securities and Garant Performance Telescope Securities, Fund Index Telescope Securities, Garant Telescope Securities; (x) specific risks in respect of Fund Index Geoscope Securities and Garant Geoscope Securities; (xi) risks due to an Underlying/Basket consisting of a number of components; (xii) risk of postponement or alternative provisions for the valuation of the Underlying; (xiii) risk of regulatory consequences to investors when investing in Underlying-linked Securities; (xiv) risks arising from negative effects of hedging arrangements by the Issuer on the Securities; (xv) risks arising from the Issuer's extraordinary call right; (xvi) risks arising from the Issuer's Conversion Right; (xvii) risks relating to fixed rate Securities; (xviii) risks relating to Floater Securities; (xix) special risks related to reference rates; (xx) risks due to a limitation of the interest rate to a maximum interest rate; (xxi) risks related to a target volatility strategy; (xxii) currency and Currency Exchange Rate risk with respect to the Underlying or its components; (xxiii) risks related to Adjustment Events; (xxiv) risks related to Market Disruption Events; (xxv) risks arising from negative effects of hedging arrangements by the Issuer on the Securities; and (xxvi) risks related to Physical Settlement.</p> <p>• <b>Key risks related to the Underlying or its components</b></p> <p><b><i>[Key risks related to fund shares</i></b></p> <p>General Risks of fund shares as Underlying or as component(s) of an Underlying</p> <p>(i) Similar risks to a direct investment in fund shares; (ii) no rights of ownership of the Underlying or its components; (iii) no entry in the register of members in the event of physical delivery of Registered Shares; (iv) no obligation to forward distributions; (v) risks associated with Underlyings subject</p>
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	<p>to emerging market jurisdictions.</p> <p>Structural risks in the case of fund shares as the Underlying or as components of an Underlying</p> <p>(i) Legal and tax risk; (ii) risks resulting from commissions and fees; (iii) risks resulting from a potential liquidation or merger; (iv) risks resulting from valuations of the net asset value and estimates; (v) potential lack of currentness of the performance; (vi) risks resulting from conflicts of interest of the persons involved; (vii) no passing on of rebates or other fees paid by the fund to the Issuer; (viii) political/regulatory risk; (ix) custody risks; (x) valuation risks; (xi) country or transfer risks; (xii) risks resulting from the possible effects of redemptions of fund shares; (xiii) specific risks affecting closed investment funds; (xiv) risks resulting from cross liabilities; (xv) risks with regard to public holidays.</p> <p>General risks from investment activities in the case of fund shares as the Underlying or as components of an Underlying</p> <p>(i) Market risks; (ii) currency risks; (iii) risks due to lack of liquidity of the assets and financial instruments purchased; (iv) counterparty risks; (v) settlement risks; (vi) concentration risks; (vii) risks arising from suspensions of trading.</p> <p>Specific risks relating to fund management in the case of fund shares as the Underlying or as components of an Underlying</p> <p>(i) Risks due to dependence on the fund managers; (ii) risks in the event of limited disclosure of investment strategies; (iii) risks due to possible changes of investment strategies; (iv) risks due to the agreement of performance bonuses; (v) risks due to "soft dollar" services; (vi) risks arising from misconduct by the fund managers; (vii) risks due to possible conflicts of interest.</p> <p>Specific risks arising from assets purchased in the case of fund shares as the Underlying or as components of the Underlying</p> <p>(i) General risks involved with investments in securities; (ii) specific risks involved with investments in stocks; (iii) specific risks involved with investments in interest-bearing financial instruments; (iv) specific risks involved with investments in assets with low credit ratings; (v) specific risks involved with investments in volatile and illiquid markets; (vi) specific risks involved with investments in derivatives; (vii) specific risks involved with investments in real estate and other tangible assets; (viii) specific risks involved with investments in commodities; (ix) specific risks involved with investments in precious metals; (x) specific risks involved with investments in foreign currencies; (xi) specific risks involved with investments in other investment funds (Fund of Funds); (xii) specific risks involved with investing exclusively in another investment fund (Feeder Fund).</p> <p>Specific risks due to particular portfolio management techniques in the case of fund shares as the Underlying or as components of the Underlying</p> <p>(i) Risks of raising debt capital; (ii) risks involved with short sales; (iii) risks due to the use of trading systems and analytical models; (iv) risks involved with lending securities; (v) risks involved with entering into sale and repurchase transactions; (vi) specific investment risks involved with synthetic investment strategies; (vii) risks involved with entering into hedging transactions; (viii) specific risks involved with investments in emerging markets; (ix) specific risks associated with exchange traded funds ("ETFs").]</p> <p><b>[Key risks related to indices</b></p> <p>(i) Similar risks to a direct investment in index components; (ii) no influence of the Issuer on the index; (iii) risks of unrecognised or new indices; (iv) risks arising from special conflicts of interests in relation to indices as Underlying; (v) risks in relation to strategy indices as Underlying; (vi) risks in</p>
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		<p>relation to price indices as Underlying; (vii) risks in relation to net return indices as Underlying; (viii) risks in relation to short indices as Underlying; (ix) risks in relation to leverage indices as Underlying; (x) risks in relation to distributing indices as Underlying; (xi) risk of country or sector related indices; (xii) currency exchange risk contained in the index; (xiii) adverse effect of fees on the index level; (xiv) adverse effect of synthetic dividends on index level (xv) risks with respect to the publication of the index composition which is not constantly updated.]</p>
[D.6 <sup>16</sup>	<p>Key information on the key risks that are specific to the securities</p>	<p>In the opinion of the Issuer, the key risks described below may, with regard to the Security Holder, adversely affect the value of the Securities and/or the amounts to be distributed (including the delivery of any quantity of Underlyings or its components to be delivered) under the Securities and/or the ability of Security Holders to sell the Securities at a reasonable price prior to the maturity date of the Securities.</p> <ul style="list-style-type: none"> <li>• <b>Potential conflicts of interest</b></li> </ul> <p>The risk of conflicts of interest (as described in E.4) is related to the possibility that the Issuer, distributors or agents or any of their affiliates, in relation to certain functions or transactions, may pursue interests which may be adverse to or do not regard the interests of the Security Holders.</p> <ul style="list-style-type: none"> <li>• <b>Key risks related to the Securities</b></li> </ul> <p><b><i>Key risks related to the market</i></b></p> <p>Under certain circumstances a Security Holder may not be able to sell his Securities at all or at an adequate price prior to their redemption.</p> <p>The market value of the Securities will be affected by the creditworthiness of the Issuer and a number of other factors (e.g., exchange rates, prevailing interest and yield rates, the market for similar securities, the general economic, political and cyclical conditions, the tradability of the Securities and Underlying-related factors) and may be substantially lower than the Nominal Amount or the Purchase Price.</p> <p>Security Holders may not rely on being able to sufficiently hedge against price risks arising from the Securities at any time.</p> <p><b><i>Key risks related to the Securities in general</i></b></p> <p>The Issuer may possibly fail to perform its obligations under the Securities in whole or in part, e.g., in case of an insolvency of the Issuer or due to governmental or regulatory interventions. Such risk is not protected by a deposit protection scheme or any similar compensation scheme.</p> <p>An investment into the Securities may be illegal or unfavourable for a potential investor or not suitable, with regard to his knowledge or experience and his financial needs. The real rate of return of an investment into the Securities may be reduced or may be zero or even negative (e.g., due to incidental costs in connection with the purchase, holding and disposal of the Securities, future money depreciation (inflation) or tax effects). The redemption amount may be less than the Issue Price or the respective purchase price and, under certain circumstances, no interest or ongoing payments will be made.</p> <p>The proceeds from the Securities may possibly not be sufficient to make interest or principal payments arising from a financing purchase of the Securities and require additional capital.</p>

<sup>16</sup> This Element D.6 is applicable to all Securities other than Fund Index Telescope Securities, Fund Index Geoscope Securities, Garant Telescope Securities and Garant Geoscope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

	<p><b><i>Risks related to Underlying-linked Securities</i></b></p> <p>(i) Risks arising from the influence of the Underlying on the market value of the Securities; (ii) risks arising from the fact that the observation of the Underlying occurs only at a specified date or time; (iii) risks due to only partial capital protection by the Minimum Amount; (iv) risks arising from the impact of thresholds or limits; (v) risks in relation to a Participation Factor; (vi) risks with respect to a Floor Level, a Strike Level, Final Strike Level and/or a Strike; (vii) risks in relation to a ratio; (viii) risks due to a limitation of potential returns to a Maximum Amount or due to other limitations; (ix) specific risks in respect of Fund Index Performance Telescope Securities and Garant Performance Telescope Securities, Fund Index Telescope Securities, Garant Telescope Securities; (x) specific risks in respect of Fund Index Geoscope Securities and Garant Geoscope Securities; (xi) risks due to an Underlying/Basket consisting of a number of components; (xii) risk of postponement or alternative provisions for the valuation of the Underlying; (xiii) risk of regulatory consequences to investors when investing in Underlying-linked Securities; (xiv) risks arising from negative effects of hedging arrangements by the Issuer on the Securities; (xv) risks arising from the Issuer's extraordinary call right; (xvi) risks arising from the Issuer's Conversion Right; (xvii) risks relating to fixed rate Securities; (xviii) risks relating to Floater Securities; (xix) Special risks related to reference rates; (xx) risks due to a limitation of the interest rate to a maximum interest rate; (xxi) risks related to a target volatility strategy; (xxii) Currency and Currency Exchange Rate risk with respect to the Underlying or its components; (xxiii) risks related to Adjustment Events; (xxiv) risks related to Market Disruption Events; (xxv) risks arising from negative effects of hedging arrangements by the Issuer on the Securities; and (xxvi) risks related to Physical Settlement.</p> <p>• <b>Key risks related to the Underlying or its components</b></p> <p><b><i>General risks</i></b></p> <p><i>No rights of ownership of the Underlying or its Components</i></p> <p>The Underlying or its components will not be held by the Issuer for the benefit of the Security Holders, and as such, Security Holders will not obtain any rights of ownership (e.g., voting rights, rights to receive dividends or other distributions or other rights) with respect to the Underlying or its components.</p> <p><b><i>[Key risks related to fund shares</i></b></p> <p>General Risks of fund shares as Underlying or as component(s) of an Underlying</p> <p>(i) Similar risks to a direct investment in fund shares; (ii) no rights of ownership of the Underlying or its components; (iii) no entry in the register of members in the event of physical delivery of Registered Shares; (iv) no obligation to forward distributions; (v) risks associated with Underlyings subject to emerging market jurisdictions.</p> <p>Structural risks in the case of fund shares as the Underlying or as components of an Underlying</p> <p>(i) Legal and tax risk; (ii) risks resulting from commissions and fees; (iii) risks resulting from a potential liquidation or merger; (iv) risks resulting from valuations of the net asset value and estimates; (v) potential lack of currentness of the performance; (vi) risks resulting from conflicts of interest of the persons involved; (vii) no passing on of rebates or other fees paid by the fund to the Issuer; (viii) political/regulatory risk; (ix) custody risks; (x) valuation risks; (xi) country or transfer risks; (xii) risks resulting from the possible effects of redemptions of fund shares; (xiii) specific risks affecting closed investment funds; (xiv) risks resulting from cross liabilities; (xv) risks</p>
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	<p>with regard to public holidays.</p> <p>General risks from investment activities in the case of fund shares as the Underlying or as components of an Underlying</p> <p>(i) Market risks; (ii) currency risks; (iii) risks due to lack of liquidity of the assets and financial instruments purchased; (iv) counterparty risks; (v) settlement risks; (vi) concentration risks; (vii) risks arising from suspensions of trading.</p> <p>Specific risks relating to fund management in the case of fund shares as the Underlying or as components of an Underlying</p> <p>(i) Risks due to dependence on the fund managers; (ii) risks in the event of limited disclosure of investment strategies; (iii) risks due to possible changes of investment strategies; (iv) risks due to the agreement of performance bonuses; (v) risks due to "soft dollar" services; (vi) risks arising from misconduct by the fund managers; (vii) risks due to possible conflicts of interest.</p> <p>Specific risks arising from assets purchased in the case of fund shares as the Underlying or as components of the Underlying</p> <p>(i) General risks involved with investments in securities; (ii) specific risks involved with investments in stocks; (iii) specific risks involved with investments in interest-bearing financial instruments; (iv) specific risks involved with investments in assets with low credit ratings; (v) specific risks involved with investments in volatile and illiquid markets; (vi) specific risks involved with investments in derivatives; (vii) specific risks involved with investments in real estate and other tangible assets; (viii) specific risks involved with investments in commodities; (ix) specific risks involved with investments in precious metals; (x) specific risks involved with investments in foreign currencies; (xi) specific risks involved with investments in other investment funds (Fund of Funds); (xii) specific risks involved with investing exclusively in another investment fund (Feeder Fund).</p> <p>Specific risks due to particular portfolio management techniques in the case of fund shares as the Underlying or as components of the Underlying</p> <p>(i) Risks of raising debt capital; (ii) risks involved with short sales; (iii) risks due to the use of trading systems and analytical models; (iv) risks involved with lending securities; (v) risks involved with entering into sale and repurchase transactions; (vi) specific investment risks involved with synthetic investment strategies; (vii) risks involved with entering into hedging transactions; (viii) specific risks involved with investments in emerging markets; (ix) specific risks associated with exchange traded funds ("ETFs").]</p> <p><b>[Key risks related to indices</b></p> <p>(i) Similar risks to a direct investment in index components; (ii) no influence of the Issuer on the index; (iii) risks of unrecognised or new indices; (iv) risks arising from special conflicts of interests in relation to indices as Underlying; (v) risks in relation to strategy indices as Underlying; (vi) risks in relation to price indices as Underlying; (vii) risks in relation to net return indices as Underlying; (viii) risks in relation to short indices as Underlying; (ix) risks in relation to leverage indices as Underlying; (x) risks in relation to distributing indices as Underlying; (xi) risk of country or sector related indices; (xii) currency exchange risk contained in the index; (xiii) adverse effect of fees on the index level; (xiv) adverse effect of synthetic dividends on index level (xv) risks with respect to the publication of the index composition which is not constantly updated.]</p> <p><b>[The Securities are not capital protected.] Investors may lose the value of their entire investment or part of it.]</b></p>
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## E. OFFER

[E.2b <sup>17</sup> ]	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	The net proceeds from each issue of Securities will be used by the Issuer for its general corporate purposes.
E.3	Description of the terms and conditions of the offer	<p>[Day of the first public offer: <i>[Insert]</i>.]</p> <p>[Start of the new offer: <i>[Insert]</i> [(continuance of the public offer of previously issued securities)] [(increase of previously issued securities)].]</p> <p>[The Securities will be [initially] offered during a Subscription Period[, and continuously offered thereafter].</p> <p>Issue Price: <i>[Insert]</i></p> <p>[A public offer will be made in [Germany][,] [and] [Austria][,] [and] [Italy][,] [and] [France][,] [and] [Luxembourg][,] [and] [Belgium][,] [and] [Ireland][,] [and] [United Kingdom][,] [and] [the Czech Republic][,] [and] [Poland][,] [and] [Slovakia].]</p> <p>[The smallest transferable unit is <i>[Insert]</i>.]</p> <p>[The smallest tradable unit is <i>[Insert]</i>.]</p> <p>The Securities will be offered to [qualified investors][,] [and/or] [retail investors] [and/or] [institutional investors] [by way of [private placements] [public offerings]] [by financial intermediaries].</p> <p>[As of the [day of the first public offer] [start of the new public offer] the Securities described in the Final Terms will be offered on a continuous basis.]</p> <p>[The continuous offer will be made on current ask prices provided by the Issuer.]</p> <p>[The public offer may be terminated by the Issuer at any time without giving any reason.]</p> <p>[Not applicable. No public offer occurs.]</p> <p>[Subscription period: <i>[Insert first day of subscription period]</i> – <i>[Insert last day of subscription period]</i> [(<i>[Insert]</i> [p.m.] [a.m.] <i>[Insert]</i> local time)].]</p> <p>[Subscription orders are irrevocable [,] [except for provisions [in respect to the "door to door selling", in relation to which the subscription orders will be accepted starting from <i>[Insert first day of subscription period]</i> to <i>[Insert last day of door to door subscription period]</i>] [and] [in respect to the "long distance technique selling", in relation to which subscription orders will be accepted starting from <i>[Insert first day of subscription period]</i> to <i>[Insert last day of long distance technique selling subscription period]</i>] – unless closed in advance and without previous notice –] and will be satisfied within the limits of the maximum number of Securities on offer.]</p> <p><i>[In the case of Securities being offered to Italian consumers, the following applies:</i></p> <p>The Securities can be placed by the relevant distributor through ["door to door selling" (through financial sales agents, pursuant to the articles 30 and</p>

<sup>17</sup>

This Element E.2b is only applicable to Securities with a denomination of less than EUR 100,000.

		<p>31 of the Italian Legislative Decree 24 February 1998, n. 58)] [or] ["long distance technique selling" (pursuant to the article 67-duodecies, Par. 4 of the Italian Legislative Decree 6 September 2005, n. 206)]. Therefore, the effects of the subscription agreements will be suspended [for seven days, with reference to those "door to door selling" [,] [and] [for fourteen days, with reference to "long distance technique selling"], from the date of the subscription by the investors. Within such terms, the investor can withdraw by means of a notice to the financial promoter or the distributors without any liability, expenses or other fees according to the conditions indicated in the subscription agreement.]]</p> <p><i>[In the case of Securities being offered to Italian consumers, the following applies:</i></p> <p>The [Issuer] [relevant distributor] is the intermediary responsible for the placement of the Securities ("Responsabile del Collocamento"), as defined in article 93-bis of the Italian Legislative Decree 24 February 1998, n. 58 (as subsequently amended and supplemented).</p> <p>No specific allocation method is established. Subscription requests shall be satisfied by the relevant office in a chronological order and within the limits of the available amount.]]</p>
E.4	Any interest that is material to the issue/offer including conflicting interest	<p>Any of the relevant distributors and/or their affiliates may be customers of, and borrowers from the Issuer or the Guarantor and their affiliates. In addition, any of such distributors and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer or the Guarantor and their affiliates in the ordinary course of business.</p> <p>[[The Issuer, [the Guarantor,] and the relevant distributor have a conflict of interest with the Security Holder with regard to the offer of the Securities, due to their respective roles in the issue and offer of the Securities and as they both belong to the same UniCredit Banking Group.] [In particular, [HVB][the relevant distributor] is also the arranger[.,][and] the swap counterparty[,] [and the Calculation Agent] of the Securities.] [Moreover, the [Issuer] [relevant distributor] shall also act as the intermediary responsible for the placement of the Securities "Responsabile del Collocamento" (as defined by article 93-bis of the Italian Legislative Decree 24 February 1998, n. 58) of the Securities.]]</p> <p>[With regard to trading of the Securities the [Issuer][Guarantor] has a conflict of interest being also the Market Maker on the [Insert relevant regulated or unregulated market(s)]; [moreover] [[T][t]he [Insert relevant regulated or unregulated market(s)] is organised and managed by [Insert name], a company in which UniCredit S.p.A. – the Guarantor and the Holding Company of UniCredit Bank AG as the Issuer – has a stake.] [The Issuer is also the arranger and the Calculation Agent of the Securities.] [The Issuer or any of its affiliates may act as a [swap counterparty, ]calculation agent or paying agent.]</p> <p>[The relevant distributors will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Securities. Any relevant distributor and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their respective] affiliates in the ordinary course of business.]</p> <p>Besides, conflicts of interest in relation to the Issuer the Guarantor or the persons entrusted with the offer may arise for the following reasons:</p> <ul style="list-style-type: none"> <li>• The Issuer specifies the Issue Price.</li> </ul>

		<ul style="list-style-type: none"> <li>• The Issuer and one of its affiliates act as Market Maker of the Securities (however, no such obligation exists).</li> <li>• Distributors may receive inducements from the Issuer.</li> <li>• The Issuer, any distributor and any of their affiliates act as Calculation Agent or Paying Agent in relation to the Securities.</li> <li>• From time to time, the Issuer, the Guarantor, any relevant distributor and any of their affiliates may be involved in transactions on their own account or on the account of their clients, which affect the liquidity or the price of the Underlying or its components.</li> <li>• The Issuer, the Guarantor, any distributor, and any of their affiliates may issue securities in relation to the Underlying or its components on which already other securities have been issued.</li> <li>• The Issuer, the Guarantor, any distributor, and any of their affiliates may possess or obtain material information about the Underlying or its components (including publicly not accessible information) in connection with its business activities or otherwise.</li> <li>• The Issuer, the Guarantor, any relevant distributor, and any of their affiliates may engage in business activities with the issuer of the Underlying or its components, its affiliates, competitors or guarantors.</li> <li>• The Issuer, the Guarantor, any relevant distributor, and any of their affiliates may also act as a member of a syndicate of banks, as financial advisor or as bank of a sponsor or issuer of the Underlying or its components.</li> </ul> <p>[The Issuer, the Guarantor, or one of their affiliates acts as index sponsor, index calculation agent, index advisor or index committee.]</p> <p>[In addition, the relevant distributor shall receive from the Issuer an implied placement commission comprised in the Issue Price <i>[Insert]</i> [while the Issuer will receive an implied structuring commission and other charges.]</p> <p>[Other than as mentioned above, [and save for [●],] so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer, including conflicting interests.]</p>
E.7	Estimated expenses charged to the investor by the Issuer or the distributor	<p>[Selling Concession: [An upfront fee in the amount of <i>[Insert]</i> is included in the Issue Price.] <i>[Insert details]</i>]</p> <p>[Other Commissions: [A total commission and concession of up to [●]% may be received by the distributors] <i>[Insert details]</i>]</p> <p>[Not applicable. No such expenses will be charged to the investor by the Issuer or a distributor. However, other charges like custody fees or transaction fees might be charged.]</p>

## ANNEX TO THE SUMMARY

[WKN] [ISIN] [Common Code] [(C.1)]	[Reference Price (C.19)]	[Observation Date (k) [(C.10)] [(C.15)] [(C.16)] [(C.19)]]	[Final Observation Date[s] (C.16)]	[Maturity Date [(C.9)] [(C.16)]]	[Maturity Date [(C.9)] [(C.16)]]	[Minimum Amount [(C.9)] [(C.18)]]	[Maximum Amount (C.15)]	[Underlying [(C.9)] [(C.20)]]	[Website [(C.20)] [(C.9)]]	[Additional Amount Payment Dates (k) [(C.8)] [(C.10)] [(C.15)] [(C.18)]]	[Participation Factor [(C.10)] [(C.15)]]	[Floor Level [(C.15)]]	[Strike Level] [Final Strike Level] [(C.10)] [(C.15)]]	[FX Exchange Rate (C.15)]
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert name of Underlying and ISIN]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert name of Underlying and ISIN]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]

[WKN] [ISIN] [Common Code] [(C.1)]	[Ratio (C.15)]	[Maximum Additional Amount (k) [(C.10)] [(C.15)]]	[Minimum Additional Amount (k) [(C.10)] [(C.15)]]	[Reference Price Adjustment Factor (C.15)]	[Interest Rate Reference Rate (C.8)]	[Basket Components <sub>i</sub> (C.15)]	[Weighting <sub>i</sub> (C.15)]	[K <sub>i</sub> (k) (C.15)]	[K <sub>i</sub> (initial) (C.15)]	[R <sub>i</sub> (initial) (C.15)]	[D (k) [(C.10)] [(C.15)]]	[Interest Rate Reference Rate (C.8)]	[Interest Payment Day (C.8)]	[Day Count Fraction (C.8)]	[Interest Period (C.8)]
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]

<b>[WKN]</b> <b>[ISIN]</b> <b>[Common Code]</b> <b>[(C.1)]</b>	<b>[Maximum Weight]</b> <b>(C.15)</b>	<b>[Minimum Weight]</b> <b>(C.15)</b>	<b>[Target Volatility]</b> <b>(C.15)</b>
<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>
<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>

## RISK FACTORS

*The following is a disclosure of Risk Factors that, in the opinion of the Issuers and, if the Securities are Guaranteed Securities, of the Guarantor, are material with respect to the Issuers, the Guarantor and to the securities issued under this base prospectus (the "**Base Prospectus**") (the "**Securities**") in order to assess the risk associated with these Securities. Moreover, further risks that are currently unknown or currently believed to be not material may also have a negative impact on the value of the Securities. Potential investors should be aware that the Securities may decline in value and that the sum of amounts distributed under the Securities may be below the value that the respective Security Holder spent on the purchase of the Securities (including any Incidental Expenses) (the "**Purchase Price**"). As a result, the respective Security Holder may sustain a **partial loss** (e.g. in the case of an unfavourable performance of the Underlying or its components) or a **total loss** (e.g. in the case of a substantially unfavourable performance of the Underlying or of an insolvency of the Issuers or, if the Securities are Guaranteed Securities, of the Guarantor) of his or her investment.*

*In the following, any reference to amounts distributed under the Securities shall, in the case of Securities with physical delivery of the Underlying or its components, as specified in the Final Terms, also include any amounts or quantities of the Underlying or its components to be delivered to the Security Holders under the Securities.*

*The Base Prospectus, including these Risk Factors, and the relevant final terms of the Securities (the "**Final Terms**") do not replace a professional consultation with a potential investor's house bank or financial adviser. However, potential investors should carefully consider these Risk Factors before making a decision to purchase any Securities in any case.*

*Each of the Issuers and, if the Securities are Guaranteed Securities, the Guarantor believe that the factors described below represent the material risks inherent in investing in Securities issued under this Base Prospectus, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Securities may occur for other reasons. The Issuers and the Guarantor have identified in this Base Prospectus a number of factors which could materially adversely affect their businesses and ability to make payments due under the Securities.*

*Potential investors should consider all information provided in (a) this Base Prospectus and in any supplements thereto, (b) the registration document of UniCredit Bank AG dated 24 April 2015 (the "**Registration Document**"), the information of which is incorporated herein by reference, (c) the 60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 15 June 2015 (the "**EMTN Programme**") together with the Supplement thereto dated 13 August 2015, the information of which is incorporated herein by reference and in any supplements thereto, (d) all documents the information of which is incorporated in the Base Prospectus by reference, and (e) the relevant Final Terms. An investment in the Securities is only suitable for highly sophisticated investors, who understand the nature of such Securities and the extent of the incorporated risk and who have sufficient knowledge, experience and access to professional advisors (including their financial, accounting, legal and tax advisors) in order to form their own legal, tax, accounting and financial opinion upon the existing risks in relation to the Securities. Furthermore, potential investors should be aware that the risks described below may arise separately or cumulatively in combination with other risks and may possibly have mutually reinforcing effects. The order of the risks described below does not imply any statement about the likelihood of occurrence of each risk or the degree of influence of such risk factor on the value of the Securities.*

*"**Security Holder**" means the holder of a Security.*

**In the opinion of the Issuer, the significant risks described below may adversely affect the value of the Securities and/or the amounts to be distributed (including the delivery of any quantity of the Underlying or its components to be delivered) under the Securities and/or the ability of Security Holders to sell the Securities at a reasonable price prior to the maturity date of the Securities:**

## A. RISKS RELATED TO HVB

Potential investors should consider the information within the section entitled "Risk Factors" of the Registration Document, which is incorporated herein by reference as set out on page 439. This section contains information on risks which may affect the assets, liabilities and the financial position of HVB and its ability to fulfil its obligations arising from the Securities.

## B. RISKS RELATED TO UNICREDIT INTERNATIONAL LUXEMBOURG AND THE GUARANTOR

Potential investors should consider the information within the section entitled "Risk Factors" of the EMTN Programme, which is incorporated herein by reference as set out on page 439. This section contains information on risks which may affect the assets, liabilities and the financial position of UniCredit International Luxembourg and the Guarantor and their ability to fulfil their obligations arising from the Securities.

## C. RISKS RELATED TO POTENTIAL CONFLICTS OF INTEREST

### *1. General potential conflicts of interest*

The Issuer, the Guarantor, a financial institution or a financial intermediary with whom the Issuer has entered into a distribution agreement (the "**Distributor**") (as defined below under "Potential conflicts related to other functions of the Issuer - calculation agent or paying agent") or any of their affiliates may, in connection with the below mentioned functions or transactions, as the case may be, pursue interests, which may be adverse to the interests of the Security Holders or do not take them into account (the "**Conflicts of Interest**").

#### *Potential conflicts of interest related to the Issue Price*

The Securities will be initially offered at a price determined by the Issuer (the "**Issue Price**"). The Issue Price is based on internal pricing models of the Issuer and may be higher than the market value of the Securities. The Issue Price may contain, beside upfront, management or other fees, an additional premium that may not be obvious to the Security Holders. Such an additional premium depends on several factors, particularly on the volume of the Securities of each series as well as current and expected market conditions and market outlooks as of the time of the issuance of the Securities. The premium will be added to the original mathematical value of the Securities and may differ between each issue of the Securities as well as from the premiums charged by other market participants.

#### *Potential conflicts of interest related to market maker activities*

The Issuer, the Guarantor, any of their affiliates and any other company that the Issuer has appointed as market maker (each a "**Market Maker**") may, but is not obliged to, undertake market making activities for the Securities. "**Market Making**" means that the Market Maker, under normal market conditions, continuously quotes bid and offer prices at which it is willing to trade the Securities in a certain volume. Through Market Making the liquidity and/or the value of the Securities may be influenced substantially. The prices quoted by a Market Maker may, to the detriment of the investor, substantially deviate from the mathematical (intrinsic) value of the Securities and usually do not correspond to the prices which would have been formed without Market Making and in a liquid market.

#### *Potential conflicts of interest related to Distributors and inducements*

Distributors may receive from the Issuer certain inducements in form of turnover-dependent placement- and/or management fees. Placement fees are one-off payments which, alternatively, may be granted by the Issuer in the form of an appropriate discount on the Issue Price. On the other hand, payment of management fees is recurring and dependant on the volume of the outstanding Securities at the given point in time placed by the relevant Distributor. The amount of the relevant inducement will be agreed between the Issuer and the relevant Distributor, may be subject to change and may differ with respect to the individual Distributor and Series of Securities.

#### *Potential conflicts of interest related to the function as calculation agent or paying agent*

The Issuer, any Distributor or any of their affiliates may act as a calculation agent or paying agent in relation to the Securities. In this function, the relevant entity may, *inter alia*, calculate amounts to be

distributed under the Securities and make adjustments or other determinations, as described in the Final Terms, by i.e. exercising reasonable discretion (in the case of Securities governed by German law pursuant to § 315 German Civil Code, *Bürgerliches Gesetzbuch*, "**BGB**"). The aforementioned calculations, adjustments and determinations may adversely influence the value of, and/or the amounts to be distributed under the Securities and may be adverse to the interests of the respective Security Holder.

## **2. Potential conflicts of interest related to Underlying-linked Securities**

The Securities are linked to the performance of a basket (the "**Underlying**") or its components, as the case may be. In this context, the following additional conflicts of interest may exist:

### *Potential conflicts of interest related to additional transactions*

The Issuer, any Distributor or any of their affiliates may from time to time, without regard to the interests of the Security Holders, participate in transactions involving shares or other securities, fund shares, future contracts, commodities, indices, currencies or derivatives for their own account or for the account of their customers. Additional transactions may result in further liquidity constraints of the Underlying or its components, in particular, following hedging transactions in Underlyings with an already restricted liquidity.

### *Potential conflicts of interest related to the issuance of additional securities linked to the same Underlying or to its components*

The Issuer, any Distributor and any of their affiliates may issue securities with respect to the Underlying or its components on which securities already have been issued. This increases the offer and, therefore, may limit the possibility to trade the Securities in case of limited demand. An issuance of such new competing securities may, therefore, adversely affect the tradability of the Securities.

### *Potential conflicts of interest related to Underlying-related information*

In the course of their business activities or otherwise, the Issuer, any Distributor or any of their affiliates may be in possession of or may acquire important Underlying-related information (also not publicly available) over the term of the Securities. The issuance of Securities does, in particular, not create any obligation to disclose such information (whether or not confidential), which is related to the Underlying or to its components, to the Security Holders, or to consider such information in the course of the issuance of the Securities.

### *Potential conflicts of interest related to business activities*

The Issuer, any Distributor or any of their affiliates may, without regard to the interests of the Security Holders, deal with other issuers, any of their affiliates, competitors or any guarantor and engage in any kind of commercial or investment banking or other business activities. Any such action may, with respect to the Security Holders, adversely affect the price of the Underlying or its components.

### *Potential conflicts related to other functions of the Issuer and the Guarantor*

The Issuer, the Guarantor, any Distributor and any of their affiliates may, without regard to the interests of the Security Holders, act as a member of a syndicate of banks, as financial advisor or as a bank of another issuer. In the course of the aforementioned functions actions may be taken or recommendations may be made which, with respect to the Security Holders, may adversely affect the Underlying or its components.

## **D. RISKS RELATED TO THE SECURITIES**

### **1. Risks related to the market**

#### *Risk that no active trading market for the Securities exists*

There is a risk that the Securities may not be widely distributed and no active trading market (the "**Secondary Market**") may exist or develop for the Securities.

The Issuer is not obliged to make applications for the Securities to be admitted to the regulated market of any stock exchange or to be listed on any other exchange, market or trading system within the European Economic Area. Even if the Issuer makes such application, there is no assurance that such application will be accepted or that an active trading will develop or be maintained. If the Securities are

not traded on any stock exchange or any other market or trading system, pricing information for the Securities may, in addition, be more difficult to obtain which may have a negative effect on the liquidity and the market prices of the Securities.

Neither the Issuer nor the Guarantor nor any Distributor or any of their affiliates is obliged to undertake any Market Making activities. There is also no obligation to appoint a Market Maker or to continue a Market Making during the whole term of the Securities. If there is no Market Maker, or Market Making is only made to a limited extent, the Secondary Market in the Securities may be very limited.

Neither the Issuer nor any Distributor can therefore assure that a Security Holder will be able to sell his or her Securities at an adequate price prior to their redemption.

#### *Risk related to a possible repurchase of the Securities*

The Issuer may, but is not obliged to, purchase Securities at any time and at any price in the open market, by tender offer or private agreement. Any Securities purchased in this way by the Issuer may be held, resold or cancelled. A repurchase of Securities by the Issuer may adversely affect the liquidity of the Securities.

#### *Risk related to the offering volume*

The issue volume described in the Final Terms does not allow any conclusion on the volume of the Securities actually issued or outstanding at any time and thus on the liquidity of a potential Secondary Market.

#### *Risks related to a sale of the Securities prior to the maturity date*

Prior to the redemption of the Securities, the Security Holders may only be able to realise the value represented by the Securities through a sale of the Securities in the Secondary Market. The price at which a Security Holder may be able to sell his or her Securities may be substantially lower than the nominal amount or the Purchase Price. In the case of a sale of the Securities at a certain point of time at which the market value of the Securities is below the Purchase Price paid, the respective Security Holder will suffer a loss. In addition, costs associated with the sale of the Securities in the Secondary Market (e.g. order fees or trading venue fees) may increase the loss.

#### *Risks related to factors influencing the market value*

The market value of the Securities will be affected by a number of factors. These include the creditworthiness of the Issuer and the Guarantor, the relevant prevailing interest and yield rates, the market for similar securities, the general economic, political and cyclical conditions, the tradability and, if applicable, the remaining term of the Securities as well as additional Underlying-related factors influencing the market value (as described in *Risks arising from the influence of the Underlying or its components on the market value of the Securities*). These factors may be mutually reinforcing.

#### *Risk related to the spread between bid and offer prices*

During extraordinary market situations or the occurrence of technical disruptions, the Market Maker for the Securities may temporarily suspend the quotation of bid and offer prices for the Securities or increase the spread between bid and offer prices. Should the Market Maker in special market situations be unable to carry out transactions to hedge against price risks resulting from the Securities, or when such transactions are very difficult to carry out, the spread between the bid and offer prices may be expanded in order to limit its economic risk. As a consequence, Security Holders who sell their Securities on an exchange or directly among market participants via so-called over-the-counter dealings (off-exchange) may only be able to do so at a price that is substantially lower than the mathematical (intrinsic) value of the Securities at the time of the sale and will therefore suffer a loss.

#### *Currency and Currency Exchange Rate risk with respect to the Securities*

If the Securities are denominated in a currency (the "**Specified Currency**") other than the currency of the jurisdiction where a Security Holder is domiciled or where the Security Holder seeks to receive funds, there is a Currency Exchange Rate risk (as described in *Currency Exchange Rate risk*). Currencies may also be devalued or replaced by a different currency whose development cannot be predicted.

### *Currency Exchange Rate risk*

Exchange rates between currencies (the "**Currency Exchange Rates**") are determined by factors of supply and demand in the international currency markets and are influenced by macro-economic factors, speculations and interventions by the central banks and governments as well as by political factors (including the imposition of currency controls and restrictions). In addition, there are other factors (e.g. psychological factors) which are almost impossible to predict (e.g. a crisis of confidence in the political regime of a country) and which also may have a material impact on Currency Exchange Rate. Currencies may be very volatile. There may be an increased risk in connection with currencies of countries whose standard of development is not comparable to the standard of the Federal Republic of Germany or of other industrialised countries (the "**Industrialised Countries**"). In the event of any irregularities or manipulations in connection with the fixing of Currency Exchange Rates, this may have a material adverse effect on the Securities.

### *Risks related to hedging transactions with respect to the Securities*

Security Holders may not rely on being able to sufficiently hedge against price risks arising from the Securities at any time. Their ability to make transactions to preclude or limit such price risks will depend on, *inter alia*, the relevant prevailing market conditions. In some cases there may be no suitable transactions available at a certain point of time or Security Holders may carry out transactions only at a market price that is disadvantageous to them.

## **2. Risks related to the Securities in general**

### *Credit risk of the Issuer*

The Securities constitute unsecured obligations of the Issuer vis-à-vis the Security Holders. Any person who purchases the Securities therefore relies on the creditworthiness of the Issuer and has, in relation to his or her position under the Securities, no rights or claims against any other person. Security Holders are subject to the risk of a partial or total failure of the Issuer to fulfil obligations which the Issuer is liable to perform under the Securities in whole or in part, for example, in the event of the Issuer's insolvency. The worse the creditworthiness of the Issuer is, the higher is the risk of a loss. Such risk is not protected by any statutory deposit protection, the deposit protection scheme of the Association of German Banks (*Einlagensicherungsfonds des Bundesverbandes deutscher Banken*), the Compensation Fund of German Banks (*Entschädigungseinrichtung deutscher Banken GmbH*) or any similar compensation scheme. **In the event of a realisation of the credit risk of the Issuer the Security Holder may sustain a total loss of his or her capital, even if the Securities provide for conditional minimum payment at their maturity.**

### *Possible limitations of the legality of purchase and lack of suitability of the Securities*

There is a risk that an investment in the Securities is illegal, unfavourable or not suitable for a potential investor.

The purchase, holding and/or disposal of certain Securities may, for certain investors, be prohibited, limited or associated with adverse regulatory or other consequences. It cannot be ruled out that, *inter alia*, the specific investor is restricted or not entitled to invest in the Securities due to supervisory regulations or that the investment is attached to special reporting or notification requirements (e.g. with respect to certain funds).

Additionally, the purchase or holding of Securities may be excluded or unsuitable under civil law agreements (i.e. if eligibility as trustee stock (*Mündelsicherheit*) is required) or may not be fully consistent with all investment policies, guidelines and restrictions applicable to it.

An investment in the Securities requires detailed knowledge of the features of the relevant Security. Thus, potential investors should have experience with investing in structured securities and the risks associated therewith. An investment in the Securities is only suitable for investors who

- have sufficient knowledge and experience in financial and business affairs to evaluate the merits and risks as well as the suitability of an investment in structured securities;
- have the ability to evaluate the merits and risks in the context of their financial situation on the basis of appropriate analytical tools or, in case of lack of knowledge, have the possibility to take respective professional advice;

- are able to bear the economic risk of an investment in structured securities for an indefinite period, and
- are aware that it may, during a substantial period of time or even at all, not be possible to sell the Securities.

Under consideration of the characteristics of the Securities and the substantial risks inherent in purchasing the Securities, the Securities may also not be an economically appropriate investment.

As a result, each potential investor must determine, based on its own independent review and, if applicable, professional advice, if the purchase, holding and disposal of the Securities fully complies with the investor's legal requirements, knowledge and experience and financial needs, objectives and circumstances (or if the investor is acquiring the Securities in a fiduciary capacity, the trustee).

*The Guarantee may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability.*

The Guarantee given by the Guarantor in respect of Securities issued by UniCredit International Luxembourg provides Security Holders with a direct claim against the Guarantor in respect of the relevant Issuers' obligations under the Securities. Enforcement of the Guarantee would be subject to certain generally available defences, which may include those relating to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or affecting the rights of creditors generally. If a court were to find the Guarantee given by the Guarantor void or unenforceable, then Security Holders would cease to have any claim in respect of the Guarantor and would be creditors solely of the Issuers.

Enforcement of the Guarantee is subject to the detailed provisions contained therein. Such provisions include certain limitations reflecting mandatory provisions of Italian laws, such as that the payment obligations of UniCredit S.p.A. under the Guarantee shall at no time exceed an amount determined by the Guarantor in the Guarantee (the "**Maximum Guaranteed Amount**"). In relation to the issuance of Securities such Maximum Guaranteed Amount is Euro 1,100,000,000. If the payment obligations of UniCredit S.p.A. under this Guarantee were to exceed such Maximum Guaranteed Amount, any and each Security Holder's claim under the Guarantee, including any and each Security Holder's claim for which payment has been previously made under the Guarantee, will be reduced pro rata so that the aggregate amount of such liabilities will not exceed the Maximum Guaranteed Amount, and any and each Security Holder who previously received payment under the Guarantee of an amount that exceeds such pro rata amount will have to repay the excess amount to the Guarantor upon demand of the Guarantor. Therefore, a certain risk does exist that the Security Holder's claim against the Guarantor are reduced, to the effect that the Security Holder's claim is actually not fully guaranteed.

*Risks arising from financial markets turmoil as well as governmental or regulatory interventions*

Turmoil in the international financial markets may also in the future adversely affect inflation, interest rates, the Underlying and its components, the amounts to be distributed under the Securities or the value of the Securities and result in extensive governmental and regulatory interventions.

As a reaction to the financial market crisis which begun in 2007, the European Union and the German legislator enacted or planned several directives, regulations and laws which might affect the Security Holders. In particular, Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Resolution Directive**") contains additional or amended regulatory provisions which may affect the Issuer and the Securities issued.

The Resolution Directive's provisions have already been implemented into German law (*BRRD-Umsetzungsgesetz*), providing as a key element a national law for the recovery and resolution of institutions and financial groups (German Recovery and Resolution Act, *Sanierungs- und Abwicklungsgesetz*). This is already in force and which enhances the former provisions contained in the German Banking Act (*Kreditwesengesetz*, the "**KWG**"). Furthermore, Regulation (EU) No. 806/2014 of the European Parliament and the Council of 15 July 2014 establishing uniform rules and a uniform mechanism for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the "**SRM Regulation**"), whose provisions will mainly be applicable as of 1 January 2016 without further implementation into national law,

provides certain resolution tools; these include a reduction of liabilities or their transformation into equity, a transfer of claims and/or liabilities of the affected institution or even a resolution of the affected institution. These resolution tools may have a substantial effect on the rights of the Security Holders and may have a material adverse effect on the enforcement of the Security Holders' claims. Instead of the respective national authority (or in case of a cross-border group resolution, the authority responsible for the group resolution), the board established with respect to a uniform resolution pursuant to Art. 42 SRM Regulation will execute tasks and exercise competences stipulated by the SRM Regulation. In particular, HVB may be subject to the following measures which might also affect the Security Holders.

HVB may be subject to a restructuring or reorganisation procedure pursuant to the German Act on the Reorganisation of Credit Institutions (*Kreditinstitute-Reorganisationsgesetz*, the "**KredReorgG**"). While a restructuring procedure generally may not interfere with rights of creditors, the reorganisation plan established under a reorganisation procedure may provide measures that affect the Security Holder's rights as the credit institution's creditor against its will, including a reduction of existing claims or a suspension of payments. The Security Holders' rights may be adversely affected by the reorganisation plan which might be adopted irrespective of their particular voting behaviour by a majority vote.

The German Recovery and Resolution Act and the SRM Regulation provide tools which enable the competent supervisory or resolution authorities to restructure or dissolve credit institutions and investment firms if there is a potential default risk regarding the respective credit institution or investment firm and provided that the default risk may not be prevented by other effective means and the application of the tool serves the public interest. These resolution tools, in accordance with the Resolution Directive, include, among others, a "bail-in" instrument enabling the competent resolution authority to convert relevant capital instruments or certain eligible liabilities into shares or common capital tier 1 capital instruments or to write them down in whole or in part. By suspension, modification and termination (in whole or in part) of the rights under the Securities, the resolution tools may materially affect the rights of the Security Holders. The extent to which the claims resulting from the Securities forfeit due to the "bail-in" instrument depends on a number of factors on which HVB potentially has no influence.

If the resolution conditions are met, the competent resolution authority may as an alternative to a resolution issue a transfer order pursuant to which HVB would be forced to transfer its shares or assets and liabilities in whole or in part to a so-called bridge bank or an asset management company. In the context of a transfer order, HVB as initial debtor of the Securities may be replaced by another debtor (which may have a fundamentally different risk tolerance or creditworthiness from those of HVB's). Alternatively, the claims may remain towards the initial debtor, but the situation regarding the debtor's assets, business activity and/or creditworthiness may not be identical to the situation prior to the transfer order.

The German Act on the Ring-Fencing of Risks and for the Wind-Down of Credit Institutions and Financial Groups (*Gesetz zur Abschirmung von Risiken und zur Sanierung und Abwicklung von Kreditinstituten und Finanzgruppen - Trennbankengesetz*) incorporates provisions into the KWG providing that, even without the occurrence of a resolution or recovery event, credit institutions may be obliged to transfer positions which are regarded by the legislator as being "risk inherent" to a legally and financially independent financial trading institution if having reached certain thresholds (separation of banking activities). Furthermore, the competent authority may, from 1 July 2016 on, prohibit HVB from having further types of activities being carried out by specific institutions in order to avoid risks. The claims of the Security Holders may be negatively affected thereby. In particular, HVB as initial debtor of the Securities may be replaced by another debtor (who may have a completely different risk tolerance or creditworthiness from those of HVB's). Alternatively, the claims may continue to be towards HVB, however, the situation with regard to the debtor's assets, business activity and/or creditworthiness may not necessarily be the same as before the transfer order.

It is planned that pursuant to the Regulation of the European Parliament and of the Council on structural measures improving the resilience of EU credit institutions, which are considered to be systemically important, such credit institutions shall be restricted by the competent authorities with regard to their business activities, including a prohibition of proprietary trading and the separation of certain trading activities. The draft of this regulation was published by the European Commission on 28 Janu-

ary 2014. This could have a further impact on the Issuer's ability to meet its obligations under the Securities.

The aforementioned measures may result in a default of all claims under the Securities and thus to a total loss of the investment of the Security Holder. There may be negative effects in the market value of the Securities even before the execution of such rights. In addition, the Issuer's assets may be withdrawn under these measures, which would adversely affect the ability of the Issuer to meet its payment obligations under the Securities.

For an overview of risks arising from financial markets turmoil as well as governmental or regulatory interventions with respect to UniCredit International Luxembourg and financial institutions generally, please refer to the risk factor described in the base prospectus for the EMTN Programme under the title "*The bank recovery and resolution directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Notes.*" beginning on p. 55.

Further impairments might result from European legislative activities regarding the improvement of resilience of EU credit institutions.

Generally, it is not possible to fully predict future market turmoil, regulatory measures and further legislative projects.

#### *Risks in connection with a later determination of features*

The Final Terms may provide that either the Issue Price or other features of the Securities (such as an exchange rate or a market rate) may be determined by the Issuer in accordance with § 315 BGB or published at any point of time after the production of the Final Terms. Depending on the time and manner of any such determination, investors in the relevant Securities bear the risk that the potential return which is achievable from an investment in the relevant Securities do not match the expectations of the investor at the time of subscription or the risk profile does not match the risk expectations of the investor.

#### *Risks related to debt financing the purchase of the Securities*

If the purchase of the Securities will be financed by uptake of foreign funds, the proceeds from the Securities may possibly not be sufficient to make interest or principal payments arising from a financing purchase of the Securities and require additional capital. Therefore, in such a case, potential investors should make sure in advance that they can still pay the interest and principal payments on the loan also in the event of a decrease of value or a payment delay or default with regard to the Securities. The expected return should be set higher since the costs relating to the purchase of the Securities and those relating to the loan (such as interest, redemption, and handling fees) have to be taken into account.

#### *Risks related to Incidental Costs*

In connection with the purchase, holding and disposal of the Securities, incidental costs (the "**Incidental Costs**") may be incurred beside the purchase or sale price of the Securities. These Incidental Costs may significantly reduce or even eliminate any profit from the Securities.

If the purchase or sale of the Securities is not agreed between the purchaser and the Issuer or the Distributor, as the case may be, at a fixed price (the "**Fixed Price**"), commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value, will be charged upon the purchase and sale of the Securities. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, for example domestic dealers or brokers in foreign markets, potential investors may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs).

In addition to such Fixed Price and the costs directly related to the purchase of the Securities (direct costs), potential investors must also take into account any other costs in connection with the holding of the Securities. These include, for example, custody fees, and additional costs if other foreign or domestic entities are involved in the custody.

Before investing in the Securities, potential investors should inform themselves about any Incidental Costs to be incurred in connection with the purchase, holding or sale of the Securities.

#### *Risks with regard to determinations by the Calculation Agent*

Pursuant to the Terms and Conditions, the Calculation Agent may in its discretion determine whether certain events have occurred and make any adjustments and calculations resulting therefrom (if any), as described in the Final Terms. The Calculation Agent will make any such determination in its reasonable discretion in a commercially reasonable manner. Such determination may have an adverse effect on the value of the Securities and/or the payments.

#### *Inflation risk*

Security Holders are exposed to the risk that the real yield from an investment in the Securities is reduced, equal to zero or even negative due to a future money depreciation ("**Inflation**"). The higher the rate of Inflation, the lower the real yield on a Security. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

#### *Risks in connection with a purchase of Securities for hedging purposes*

Any person intending to use the Securities as a hedging instrument should recognise the correlation risk. The correlation risk in this case is the risk that the estimated and the actual correlation of the Securities (i.e. the interrelation between the performance of the Securities and the hedged position) may differ. This means that the hedging position estimated to move in the opposite direction as a security may prove to be correlated with the security, and that this may lead to failure of the envisaged hedging transaction. The Securities may not be a perfect hedge to an underlying or portfolio of which the underlying forms a part. In addition, it may not be possible to liquidate the Securities at a level which reflects the price of the underlying or the portfolio of which the underlying forms a part.

Potential investors should not expect that transactions may be made at any time during the term of the Securities by which the relevant risks may be excluded or restricted; in fact, this will depend on market conditions and the relevant underlying conditions. It may be that such transactions may only be concluded at an unfavourable market price so that the Security Holder will incur a corresponding loss.

#### *Risks related to taxation*

The return on the Securities may be reduced through the tax impact on an investment in the Securities. Potential purchasers and sellers of Securities should be aware that they may be required to pay taxes or other charges or duties in accordance with the laws and practices of the country where they are individually assessed for tax, to which the Securities are transferred, in which the Securities are held or in which the paying agent is situated, or of any other jurisdiction. In some jurisdictions, no official statements, rulings and/or guidelines of the tax authorities or court decisions may be available for innovative financial instruments such as the Securities. Potential investors are advised not only to rely on the tax overview contained in this document but also to ask for their own tax advisors' advice on their individual taxation with respect to the acquisition, sale or redemption of the Securities. Only these advisors are in a position to duly consider the specific situation of the potential investor.

#### *Risk related to the U.S. Foreign Account Tax Compliance Act*

Whilst the Securities are in global form and held within Euroclear Bank SA/NV or Clearstream Banking S.A. (together the "**ICSDs**"), Clearstream Banking AG, Frankfurt am Main ("**CBF**") or Euroclear France SA ("**Euroclear France**"), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") will affect the amount of any payment received by the ICSDs, CBF or Euroclear France (see "*Foreign Account Tax Compliance Act*" in the Taxation section). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or

agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Securities are discharged once it has made payment to, or to the order of, the common depository for the ICSDs (as bearer of the Securities), CBF or Euroclear France and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs, CBF or Euroclear France and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an "IGA") are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

#### *Risks related to the Hiring Incentives to Restore Employment Act*

The U.S. Hiring Incentives to Restore Employment Act (the "**HIRE Act**") imposes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met. While significant aspects of the application of the relevant provisions of the HIRE Act to the Securities are uncertain, if the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Hiring Incentives to Restore Employment Act*" in the Taxation section.

#### *Risk related to Securities with subscription period*

In the case of Securities with a subscription period, the Issuer reserves the right to refrain from engaging in the issue prior to the issue date and to early terminate or extend the subscription period. In this case, the Initial Observation Date may be postponed. In addition, the Issuer has the right, in its sole discretion, to reject subscription orders from potential investors in whole or in part.

#### *Risks related to the Redemption Amount*

The Securities will be redeemed at their maturity at the Redemption Amount (the "**Redemption Amount**") specified in the Final Terms. The Redemption Amount may be less than the Issue Price or the Purchase Price. This means, the Security Holder only achieves a return (subject to the influence of exchange rate and inflation risk) if the Redemption Amount exceeds the individual Purchase Price of the Security Holder. The Redemption Amount may also be lower than the nominal amount of the Securities or even zero.

#### *Risks arising from missing ongoing payments*

Unless otherwise specified in the applicable Final Terms, the Securities do not bear interest or grant any other unconditional rights for ongoing payments which could compensate possible losses of principal.

### **3. Risks related to Underlying-linked Securities**

Amounts to be distributed under the Securities will be determined by reference to an Underlying or its components using a payment formula and other conditions, as specified in the Final Terms (the "**Underlying-linked Securities**"). This brings in addition to the risks that arise in connection with the Securities themselves, further significant risks which are not associated with a similar investment in a conventional fixed or floating rate bond with a claim for repayment of the nominal amount or a direct investment in the Underlying or its components. Potential investors should only invest in the Securities if they have fully understood the applicable payment formulas.

#### *Risks arising from the influence of the Underlying or its components on the market value of the Securities*

The market value of Underlying-linked Securities will in addition to the risks described in *Risks related to factors influencing the market value* be influenced by a number of additional factors.

The market value of the Securities as well as the amounts distributable under the Securities primarily depend on the price of the Underlying or its components, as the case may be. It is not possible to predict how the price of the Underlying or its components will develop in the future. The market value of the Securities may be subject to substantial fluctuations, since it will primarily be influenced by

changes in the price of the Underlying or its components. The price of the Underlying or its components may also depend on a number of inter-related factors, including cyclical, economic, financial and political events and their general effect on capital markets and on the relevant stock exchanges.

Whilst the market value of the Securities is linked to the price of the Underlying or its components and may be adversely influenced by it, not any change may be equally influencing. There may also be disproportionate changes in the value of the Securities. The value of the Securities may fall while at the same time the price of the Underlying or its components may increase in value.

In addition, the market value of the Securities is influenced, *inter alia*, by the variations in the intensity of the fluctuation of values (volatility) of the Underlying or its components, the interference (correlation) between various components of the Underlying, if any, and changes in the expected and actual dividend or other payments under the Underlying or its components. Moreover, even the failure of an expected change in the price of the Underlying or its components may adversely affect the market value of the Securities. These factors can reinforce or negate each other.

*Risks arising from the fact that the observation of the Underlying or its components occurs only at specified dates or times or periods*

The amounts to be distributed under the Securities may be considerably lower than the price of the Underlying or its components may have suggested. The observation of the price of the Underlying or its components relevant for the calculation of amounts to be distributed (including any quantity of Underlyings or its components to be delivered) under the Securities only occurs on one or more dates or during a specified period, as specified in the relevant Final Terms. In addition, the Final Terms may specify that for an observation of the price of the Underlying or its components only a certain point in time is relevant. Any prices of the Underlying or its components favourable for the relevant Security Holder that are outside of these dates, times or periods, will not be regarded. In particular, at a high volatility of the Underlying or its components, this risk can significantly increase.

*Risks due to only partial capital protection by the Minimum Amount*

Potential investors should note, that even in the case of Securities for which the Final Terms provide for the payment of a Minimum Amount, the Minimum Amount which will be paid on the Maturity Date may be less than the Nominal Amount and will not be paid in the case of an early, extraordinary termination. The Minimum Amount will be specified in the Final Terms of the Securities. Furthermore, the Minimum Amount may be less than the issue price or respectively the individual Purchase Price that the Security Holder has paid for the Securities (also taking account of any commissions and acquisition costs). Therefore, the Security Holder may **lose a substantial part of the invested capital**, despite the partial capital protection by the Minimum Amount.

*Risks arising from the impact of thresholds or limits*

If specified in the Final Terms, any amounts only may be payable if certain thresholds or limits have not been reached in accordance with the Final Terms. If the respective threshold or limit, as specified in the Final Terms, has been reached, the respective Security Holder is not entitled to receive the amount specified in the Final Terms.

*Risks in relation to a Participation Factor*

Applying a participation factor when calculating the amounts payable, as specified in the Final Terms, may result in the Securities being in economic terms not identical with a direct investment in the Underlying or the Basket Components, because the Security Holder does not participate in the relevant performance of the Underlying on a 1:1 ratio as stated in the Final Terms but in a ratio corresponding to the Participation Factor in accordance with the Final Terms. If the Participation Factor is less than 1, a Security Holder may in the event when the Underlying or the Basket Components perform favourably, participate in the performance to a smaller extent in accordance with the applicable Participation Factor as specified in the Final Terms. When the Participation Factor is greater than 1, the Security Holder may, in the event that the Underlying or the Basket Components perform unfavourably, bear an increased risk of losing the capital invested in comparison with a direct investment in the Underlying or in the Basket Components.

### *Risks with respect to a Floor Level, a Strike Level, Final Strike Level and/or a Strike*

The factors "Floor Level", "Strike Level", "Final Strike Level" or and "Strike" which as the case may be must be considered when specifying the Redemption Amount may reduce the participation of the Security Holders in a positive price performance compared to a direct investment in the Underlying or Basket Components:

If the Strike Level, Final Strike Level or Strike as the case may be is greater than 100% (of the Reference Price of the Underlying on the Initial Observation Date), the Security Holder participates in a positive price performance starting from the Strike, this means, the positive price performance in the amount of the difference of the Strike Level or Strike and 100 % (of the Reference Price of the Underlying on the Initial Observation Date) remains unconsidered.

If the Floor Level is less than the Strike Level, Final Strike Level or the Strike as the case may be, this again may lead to a participation of the Security Holder in the Underlying to a smaller extent compared to a direct investment in the Underlying or Basket Components.

The negative consequences of these factors may compensate each other in partial or in total, but may also mutually reinforce one other. Investors which did not understand the mathematic function of the redemption profile should seek advice before purchasing the Securities.

### *Risks related to a Ratio*

A ratio (the "**Ratio**"), as specified in the Final Terms, may result in the Security being in economic terms similar to a direct investment in the relevant Underlying or its components, but being nonetheless not fully comparable with such a direct investment. In respect of the Security Holders, the application of a ratio may result in a reduced participation in a favourable development of the Underlying or its components or in an increased participation in an unfavourable development of the Underlying or its components, as the case may be.

### *Risks due to a limitation of potential returns to a Maximum Amount or due to other limitations*

Potential investors should be aware that the amounts to be payable may be limited to the Maximum Amount, as provided for in the Final Terms. As a consequence, the potential return from the Securities is in such case, and in contrast to a direct investment in the Underlying, limited to the Maximum Amount. In the case of fund-linked notes with physical delivery the amount of Underlyings to be delivered or respectively other asset values according to the Final Terms is restricted, too. The value of the amount of Underlyings expressed by the Ratio at the time of the delivery is less than the Strike.

### *Specific risks in respect of Fund Index Performance Telescope Securities and Garant Performance Telescope Securities, Fund Index Telescope Securities, Garant Telescope Securities*

In the case of Fund Index Performance Telescope Securities, Garant Performance Telescope Securities, Fund Index Telescope Securities, Garant Telescope Securities the level of the Additional Amount depends on the Performance of the Underlying (k). The degree of participation depends not only on the Participation Factor, but also on the denominator D (k), which has the same effect as a Participation Factor and can vary during the term of the Securities. In this context, a lower denominator D (k) leads to increased participation in the Performance of the Underlying (k), whereas a higher denominator D (k) leads to a lower Participation Rate.

### *Specific risks in respect of Fund Index Geoscope Securities and Garant Geoscope Securities*

In the case of Fund Index Geoscope Securities and Garant Geoscope Securities the level of the Additional Amount depends on the Geometric Average Performance of the Underlying (k). The degree of participation depends not only on the Participation Factor, but also on the denominator D (k), which has the same effect as a Participation Factor and can vary during the term of the Securities. In this context, a lower denominator D (k) leads to increased participation in the Geometric Average Performance of the Underlying (k), whereas a higher denominator D (k) leads to a lower Participation Rate.

### *Risks due to an Underlying/Basket consisting of a number of components*

If the Underlying consists of a number of components (e.g. an index) or if the Underlying is a Basket consisting of a number of Basket Components, then additional risks may arise. The redemption and value of the Securities in this event depend on the performance of all the components together. There

is therefore a risk that the negative performance of one or some of the components or Basket Components may offset any positive performance of other components or Basket Components, with a negative impact on the redemption or the value of the Securities. Any diversification of risk achieved by the components or Basket Components will be reduced or neutralised completely if they have similar features, e.g. if they are linked to each other in terms of geographical area or economic policy or belong to the same sector (e.g. technology indices; shares in car manufacturers).

The components of a Basket may be weighted equally or differently, if appropriate, according to the weighting factor. The weighting of the Basket Components may significantly amplify a negative event or negative development in relation to one Basket Component or of some of the Basket Components and therefore also the negative impact on the value and/or redemption of the Security. It cannot be excluded that Security Holders may incur considerable losses even if a negative development has occurred only in relation to one Basket Component.

#### *Risk of postponement or alternative provisions for the valuation of the Underlying*

In certain circumstances which are set out in the Final Terms, the Issuer and the Calculation Agent has broad discretion to specify (i) a consequential postponement of, or (ii) any alternative provisions for the valuation of an Underlying including a determination of the value of such Underlying, each of which may have an adverse effect on the value of the Securities.

#### *Risk of regulatory consequences to investors when investing in Underlying-linked Securities*

There may be negative regulatory and other consequences associated with the ownership by certain investors of certain Securities. It cannot be ruled out that inter alia the specific investor is not entitled to invest in the Securities due to supervisory regulations or that the investment is attached to special reporting or notification requirements (e.g. with respect to certain funds). Additionally, the purchase or holding of Securities may be excluded or unsuitable under civil law agreements (i.e. if eligibility as trustee stock (*Mündelsicherheit*) is required). Each purchaser of the Securities must conduct its own investigation regarding its regulatory position in connection with the potential purchase of the Securities. The Issuer does not assume any obligation or liability whatsoever towards such a purchaser.

It cannot be ruled out that the purchase of Securities will be treated under the relevant applicable law as an investment in a legally particularly regulated investment vehicles. This risk may even increase if the Securities provide for a particular redemption form (for example delivery). It may lead to negative tax consequences for the investors that have a negative impact on the recoverable interest connected to an investment in the Securities, or that the saleability and transferability of the Securities is limited.

#### *Risks arising from negative effects of hedging arrangements by the Issuer on the Securities*

The Issuer may use a portion or the total proceeds from the sale of the Securities on transactions to hedge the risks of the Issuer relating to the Securities. In such case, the Issuer or any of its affiliates may conclude transactions that correspond to the obligations of the Issuer under the Securities. Generally, such transactions are concluded prior to or on the Issue Date, but it is also possible to conclude such transactions after the Issue Date. On or prior to such a valuation date the Issuer or any of its affiliates may take the steps necessary for closing out any hedging arrangements. It cannot, however, be ruled out that the price of the Underlying of the Securities will be influenced by such transactions in individual cases. Entering into or closing out these hedging arrangements may have a negative effect on the market price of the Securities and/or on the amounts payable under the Securities.

#### *Risks arising from the Issuer's extraordinary call right*

The Final Terms may provide for an Issuer's extraordinary call right: the Issuer has the right to call the Securities at their market value extraordinarily upon the occurrence of an event specified in the Final Terms (e.g. an equivalent Replacement Underlying is not available, a change in law occurs). If the market value of the Securities at the time of the extraordinary call is less than the Purchase Price of the Securities, the respective Security Holder **will suffer a partial or total loss of its invested capital**. Furthermore, the Security Holder has to bear a reinvestment risk, e.g. that he will only be able to reinvest the amount received upon an extraordinary termination at less favourable market conditions than those prevailing at the time of the purchase of the Securities, or that, e.g. he will not be able to make an investment which has a comparable return or a comparable risk profile as the terminated Securities

### *Risks arising from the Issuer's Conversion Right*

Upon the occurrence of a Conversion Event the Securities are converted, i.e. the Settlement Amount is paid on the Redemption Date. A Conversion Event exists if certain adjustments pursuant to the Special Conditions are not possible or not justifiable with regard to the Issuer and/or the Security Holders. The Settlement Amount is equal to the market value of the Securities plus interest accrued up to the Redemption Date at the market rate of interest being traded at that time for liabilities of the Issuer with the same remaining term as the Securities. However, the Security Holder receives at least the Minimum Amount. If the market value of the Securities plus accrued interest at the time of the conversion or, where relevant, the Minimum Amount is less than the Purchase Price of the Securities, the respective Security Holder will suffer a partial loss of its investment. In addition, the Security Holder bears the risk that its expectations of an increase in the market value of the Securities will no longer be met as a result of the conversion.

### *Risks relating to fixed rate Securities*

Potential investors in interest-bearing Securities at a fixed rate (Fund Reverse Convertible Securities) should be aware that the fair market value of the fixed-rate Securities may be very volatile, depending on the volatility of interest rates on the capital market (the "**Market Rate of Interest**"). The performance of the Market Rate of Interest may depend on a number of interrelated factors, including economic, financial and political events and their general effect on capital markets and on the respective stock exchanges. It is not possible to predict how the Market Rate of Interest will change over time. While the Interest Rate of fixed-rate Securities is specified in the Final Terms for the term of the Securities, the Market Rate of Interest is subject to daily changes. If the Market Rate of Interest rises, this normally causes the fair market value of the fixed-rate Securities to fall. If the Market Rate of Interest falls, the fair market value of the fixed-rate Securities normally rises.

### *Risks relating to Floater Securities*

Potential investors in interest-bearing Securities at a floating rate (Fund Reverse Convertible Securities) should be aware that they are exposed to the risk of fluctuating interest rates and uncertain interest income due to the dependency of the reference rate. Fluctuating interest rates make it impossible to determine in advance the return on floating-rate Securities.

### *Special risks related to reference rates*

A Security Holder in floating-rate Securities is particularly exposed to the risk of fluctuating interest rates. Fluctuating interest rates make it impossible to determine in advance the return of floating-rate Securities. The performance of an underlying reference rate is affected by supply and demand on the international money and capital markets as well as by a number of factors, such as economic influences, measures taken by national banks and governments, as well as by politically motivated factors. The past performance of an underlying reference rate provides no guarantee for its future performance, even if the previous performance or rate of the reference rate has already been recorded for a longer period.

During the term of the Securities it cannot be excluded that underlying reference rates will no longer be available, will no longer be available in the relevant form at the time of the issuance of the Securities or, that in connection with the determination or publication of these reference rates it may come to inaccuracies or even manipulations by the persons responsible for the determination and/or publication, or by any other market participants. All this may have a negative effect on the amounts payable under and the market value of the Securities. Furthermore, regulatory developments (in particular for the regulation of so-called benchmarks) may entail special approval and registration obligations and special rules of conduct for the persons responsible for the determination and/or publication of reference rates, and for the issuers of financial instruments related to these reference rates. This may mean that the reference rates underlying the Securities might not be available for the entire term of the Securities or only with changed conditions. This may also have a negative effect on the amounts payable under and on the market value of the Securities.

### *Risks due to a limitation of the interest rate to a maximum interest rate*

Potential investors should be aware that interest rates of floating-rate Securities may be limited to a maximum interest rate, as specified in the Final Terms. Therefore, the participation of the Security

Holder in a favourable development of the Reference Rate, and thus, his potential return may be limited.

#### *Risks related to a target volatility strategy*

A target volatility strategy (the "**Target Vol Strategy**"), if provided for in the Final Terms, dynamically adjusts exposure to the Underlying and its components and to a reference rate, as specified in the Final Terms, depending on the volatility of the Underlying.

The performance of the Target Vol Strategy may be substantially different from the performance of the Underlying or its components. The exposure of the Target Vol Strategy to the Underlying or its components can be very low if the volatility of the Underlying is high compared to the target volatility, as specified in the relevant Final Terms, and thus, the Target Vol Strategy's participation in a positive performance of the Underlying and its components is also very low. The realised volatility of the Target Vol Strategy may also be greater than or equal to the target volatility. If the exposure of the Target Vol Strategy to the Underlying or its components is low, then the exposure to the reference rate is high. Potential investors should be aware that a negative reference rate generally has a negative impact on the performance of the Target Vol Strategy. Various fees, as described in the Final Terms, may be applied to the Target Vol Strategy, which shall reflect costs of the Issuer and/or the Calculation Agent in connection with the calculation and management of the Target Vol Strategy. The deduction of the fees will reduce the performance of the Target Vol Strategy over time and therefore lead to a reduced participation in the performance of the Underlying and its components and/or the reference rate.

The Target Vol Strategy does not necessarily lead to an improved performance of the Securities compared to a direct investment in the Underlying or its components, and the performance of the Securities may even be worse than the performance of the Underlying or its components.

#### *Currency and Currency Exchange Rate risk with respect to the Underlying or its components*

If the Underlying or its components are denominated in a currency other than the Specified Currency, there is a Currency Exchange Rate risk (as described in *Currency Exchange Rate risk*), as long as it is not excluded in the relevant Final Terms. Currencies may also be devalued or replaced by a different currency whose development cannot be predicted.

#### *Risks related to Adjustment Events*

In the case of the occurrence of an adjustment event (the "**Adjustment Event**"), as specified in the Final Terms, the calculation agent is entitled to carry out adjustments according to the Final Terms in its reasonable discretion (§ 315 BGB) and/or to replace the Underlying or its components, as the case may be. Although these adjustments aim at retaining the economic situation of the Security Holders unchanged to the largest extent possible, it cannot be guaranteed that such an adjustment only leads to a minimal negative economic impact. Adjustment Events may have a substantial negative impact on the value and the future performance of the Securities as well as on the amounts to be distributed (including any quantities of Underlyings or its components to be delivered) under the Securities and can change the structure and/or the risk profile of the Securities. If such adjustment in accordance with the Final Terms is impossible or not reasonable for the Issuer and/or the Security Holders, the Issuer may call the Securities and redeem them at their market value. As a result, the Security Holder is exposed to the risks as described in *Risks arising from the Issuer's extraordinary call right*.

#### *Risks related to Market Disruption Events*

If a market disruption event (the "**Market Disruption Event**"), as specified in the relevant Final Terms, occurs the relevant calculation agent may defer valuations of the Underlying or its components, as provided in the Final Terms, and, after a certain period of time, determine such valuations in its reasonable discretion. These valuations may, to the detriment of the Security Holder, differ substantially from the actual price of the Underlying or its components. In general market disruption events also lead to delayed payments (including deliveries of Underlyings or its components, if so specified in the relevant Final Terms) on the Securities. In this case, Security Holders are not entitled to demand interest due to such delayed payment.

### *Risks arising from negative effects of hedging arrangements by the Issuer on the Securities*

The Issuer may use a portion or the total proceeds from the sale of the Securities on transactions to hedge against price risks of the Issuer resulting from the Securities. The entering or the liquidation of hedging transactions by the Issuer may, in individual cases, adversely affect the price of the Underlying or its components.

### *Risks related to Physical Settlement*

The Final Terms may specify that the Securities will be redeemed at the maturity date of the Securities either by payment of the Redemption Amount or by delivery of a quantity of the Underlying or its components (the "**Physical Settlement**"). In this case, the relevant method of settlement depends on the conditions specified in the Final Terms and the performance of the Underlying or its components and will be determined by the relevant Calculation Agent at the end of the term of the Securities.

In the case of a Physical Settlement the market value of the quantity of Underlyings or its components to be delivered is not known prior to the maturity date of the Securities and may be substantially below the value of the invested capital and may even be zero. In this case the Security Holder would suffer a total or partial loss of its invested capital.

Security Holders are not entitled and the Issuer is not obliged to execute any rights from the Underlying or its components to be delivered until they are transferred to the Security Holder.

The price of such shares may continue to develop negatively in the period from the date at which the value of the Underlyings or its components to be delivered will be determined and such transfer and only the Security Holder bears the risk of such price movements.

All costs, incl. possible custody fees, exchange turnover taxes, stamp taxes, transaction fees, other taxes or levies, incurred as a result of the delivery of the Underlying or its components, have to be borne by the respective Security Holder. Furthermore, upon sale of the Underlying or its components delivered transaction costs may arise. These fees and costs may be material and may substantially reduce the proceeds from the Securities or increase a possible loss of the Security Holder's invested capital.

Furthermore, Security Holders should not assume that they will be able to sell the quantity of Underlying or its components delivered for a specific price, in particular not for a price corresponding to, or being greater than, the value of capital invested for the acquisition of the Securities.

The Underlying or its components delivered may be subject to selling and transfer restrictions or may not be liquid for other reasons.

Should the delivery of Underlying of its components become economically or actually difficult or impossible for whatever reason, the Final Terms may specify that the Issuer has the right to pay a supplemental cash amount instead.

The Underlying or its components will be delivered at the Security Holder's own risk. This means that neither the Issuer nor the Paying Agent nor any other person or entity different to the Security Holders is liable if the Underlying or its components get lost or destroyed during their delivery to the Security Holders.

## **E. RISKS RELATED TO THE UNDERLYING OR ITS COMPONENTS**

The Securities may be linked to units or shares of investment funds (each a "**Fund Share**") or indices related to Fund Shares or to a basket of Fund Shares (each an "**Underlying**"). Those Underlyings are subject to particular risks. Any full or partial realisation of the following risks may have a negative impact on the price of the Underlying or its components and, hence, on the market value of the Securities and/or the amounts payable thereunder (if any). The Security Holders have no rights in or recourse against the Underlying. Furthermore, transactions made by the Issuer to hedge its obligations under the Securities may have a negative impact on the price of the Underlying or its components and, hence, on the market value of the Securities and/or the amounts payable thereunder (if any).

### ***1. General risks of Fund Shares as Underlying or as component(s) of an Underlying***

### *Similar risks to a direct investment in Funds Shares*

The market price development of Securities with Fund Shares or indices relating to Fund Shares or a basket of Fund Shares as Underlying depends on the performance of the relevant Fund Share or the relevant Fund Shares. The performance of a Fund Share is overwhelmingly dependent on the success of the relevant investment fund's investment activities. The latter are affected in turn to a very great extent by the choice of assets acquired by the investment fund and the extent to which the investment risks associated with the acquisition of assets for the investment fund materialise.

The value of the Underlying or of its constituents (if any) may vary over time and may increase or decrease due to a variety of factors e.g. macroeconomic factors and speculation. Potential investors should note that an investment in an Underlying-linked Security may be subject to similar risks than a direct investment in the relevant Underlying.

Security Holders should note that the performance of an Underlying or of its components (in the case of an index or a basket) in the past does not represent an indication of its future development, and that an Underlying (in the case of an index or a basket) or a component of an Underlying may have only a short history of business activity or have been in existence only for a short time and may generate returns over the longer term that do not match the original expectations.

Where the Underlying consists of a basket, the relevant criterion may be either the performance of all the underlying Basket Components taken together (e.g. on the basis of an averaging procedure) or the performance of each individual underlying Basket Component. In comparison with a derivative security linked only to a fund unit, the Securities may represent a cumulative risk or even an exponential risk.

### *No rights of ownership of the Underlying or its components*

The Securities do not convey any interest in Fund Shares, including any voting rights or rights to receive dividends or other rights with respect to the Fund Shares as the Underlying, as a component of the Underlying (e.g. in the case of an index) or as a Basket Component. The Issuer and its affiliates may decide not to hold the Underlyings or Basket Components or not to enter into any derivatives contracts linked to the Underlying or Basket Component. Neither the Issuer nor its affiliates are restricted from selling, pledging or otherwise transferring rights, titles and interests relating to the Underlyings or Basket Components or to derivatives contracts linked to the Underlyings or Basket Components by virtue solely of it having issued the Securities. References in the Final Terms to any balancing, rebalancing, disposal, acquisition or financing should be understood as referring to a theoretical transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, or the Issuing Agent, Principal Paying Agent, Paying Agent or Calculation Agent to actually, directly or indirectly, physically or synthetically, acquire, dispose of or effect or take delivery of, or effect transactions in, the Fund Shares or other assets.

### *No entry in the register of members in the event of physical delivery of Registered Shares*

If the Underlying or its component consists of Fund Shares for which the holder must be entered in a register of members of the relevant investment fund in order to be able to exercise its rights arising from those Fund Shares (in each case a "**Registered Share**") and the Issuer is required in accordance with the Final Terms to deliver these Fund Shares to the Security Holders, the rights arising from the Fund Shares (e.g. the receipt of dividends and the exercise of voting rights) can be exercised only by members that have been entered in the register of members or a comparable official register maintained by the fund in which the Registered Shares are held. In the case of Registered Shares, any obligation incumbent upon the Issuer to deliver the Fund Shares is limited solely to the provision of the shares in a form and with features that enable their delivery and does not cover entry into the register of members. In such cases, any claims due to non-performance, in particular reversal of the transaction or damages, are excluded.

### *No obligation to forward distributions*

Investment funds may make distributions from time to time. The Issuer is under no obligation to make payments to the Security Holders in respect of such distributions, unless this is provided for in the Final Terms. Unless indicated otherwise in the Final Terms, the Securities are linked to the perfor-

mance of the Fund Shares and do not generally reflect any distributions made by the investment fund representing the Underlying.

#### *Risks associated with Underlyings subject to emerging market jurisdictions*

An Underlying or its components (if any) may be subject to the jurisdiction of an emerging market. Investing in Securities with such Underlyings involves further legal, political (e.g. rapid political changes) and economical (e.g. economic downturns) risks.

Countries that fall into this category are usually considered to be 'emerging' because of their developments and reforms and their economy being in the process of changing from a moderately developed country to an industrial country.

In emerging markets, expropriation, taxation equivalent to confiscation, political or social instability or diplomatic incidents may have a negative impact on an investment in the Securities. The amount of publicly available information with respect to the Underlying or any of its components may be smaller than that normally made available to Security Holders.

Transparency requirements, accounting, auditing and financial reporting standards as well as regulatory standards are in many ways less strict than standards in industrial countries.

Although emerging financial markets generally show rising volumes, some emerging financial markets have much lower trading volumes than developed markets and the securities of many companies are less liquid and their prices are subject to stronger fluctuations than those of similar companies in developed markets.

## ***2. Structural risks in the case of Fund Shares as the Underlying or as components of an Underlying***

### *Legal and tax risk*

The legal environment and the publication, accounting, auditing and reporting requirements applying to an investment fund, as well as the tax treatment applying to its members, may change at any time in a way that can neither be predicted nor influenced. In addition, any change may have a negative impact on the value of the investment fund used as the Underlying for the Securities.

In this context, investment funds operating in accordance with the requirements of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS") are normally subject to stricter requirements relating to risk diversification and the type of permitted assets than investment funds operating in accordance with the requirements of Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on managers of alternative investment funds ("AIFs"). However, this does not entail a guarantee that the investments made will be safer or that the investment activities will be financially successful.

In contrast to UCITS, AIFs are permitted to concentrate their fund investments on a single asset or a few assets, and to invest in complex assets and assets for which there are no properly functioning and transparent markets on which credible prices are quoted at which those assets can be sold at any time or at least on particular dates. In some circumstances this may be associated with substantial risks, but this does not necessarily have to be the case.

### *Risks resulting from commissions and fees*

Investment funds usually have to bear certain management and custody fees and further fees and expenses regardless of their performance. These fees usually accrue even if an investment fund's assets decrease in value. Moreover, the regulations of an investment fund typically provides for a performance fee or allocation to its general partner, manager or person serving in an equivalent capacity over and above a basic asset-based management fee. Performance fees or allocations could create an incentive for a manager to choose riskier or more speculative investments than would otherwise be the case. In addition, because performance-based fees or allocations are generally calculated on a basis that includes unrealised appreciation as well as realised gains, an investment fund may pay performance-based compensation to a manager on gains that will never be realised. Certain fund managers may invest on the basis of short-term market considerations. Their turnover rate is expected to be significant, potentially involving substantial brokerage commissions and fees.

In addition, some investment funds may charge fees in relation to the issuance or redemption of their Fund Shares. Prospective Security Holders should be aware that any of these fees may have a negative impact on payments, if any, under the Securities.

*Risks resulting from a potential liquidation or merger*

It cannot be excluded that an investment fund chosen as an Underlying or as a Basket Component is being liquidated or dissolved prior to the maturity of the Securities stated in the Final Terms. Such a liquidation or dissolution may have negative impacts on the value of the Securities. In this case the Issuer or the Calculation Agent is additionally entitled to adjust the terms and conditions of the Securities (e.g. by selecting a successor fund) or, to terminate the Securities prematurely.

*Risks relating to valuations of the net asset value and estimates*

The Issuer or the Calculation Agent, as the case may be, must to rely on the valuation of the relevant assets by the respective investment fund or its contracted service providers. Such valuations are revised from time to time, sometimes materially, and may not be indicative of what the actual fair market value would be in an active, liquid or established market and subject the fund managers to a conflict of interest where their fees are based on such valuations. The valuations provided by investment funds with respect to their illiquid investments and by less liquid sub funds of their overall net asset values may be particularly uncertain. The investment funds' management fees and incentive fees, as well as the amounts due to investors upon share redemption and other financial calculations, may be determined on the basis of estimates. The manager or advisor of an investment fund is usually under no or only limited obligation to revise such estimates.

*Potential lack of currentness of the performance*

According to the Final Terms the value of the Fund Share and of the Securities is published for a certain cut-off date but not on such cut-off date. Consequently, there will be always a certain delay between the respective valuation on the valuation date or the Observation Date, as the case may be, and the actual calculation and publication of the relevant data. It can, therefore, not be excluded that material information, including the value of the Securities, will be outdated at the time of its publication. Since the value of the Securities is changing constantly it is not possible to guarantee that the information published according to the Final Terms reflects the actual value of the Securities on the day after such publication.

*Risks resulting from potential conflicts of interest of the persons involved*

The structure of investment funds may in individual cases result in conflicts of interest for the persons involved, especially with regard to Investment Advisors and Portfolio Managers (and any persons or entities affiliated with them). Apart from their mandate for an investment fund, Investment Advisors or Portfolio Managers may also service other customers which in individual cases may lead to conflicts of interest if certain investment opportunities only have a limited volume. Furthermore, Investment Advisors or Portfolio Managers may also act for other investment funds which pursue similar investment objectives or act as or represent the counterparty in transactions involving the purchase or sale of financial instruments for a fund. Apart from that, Investment Advisors or Portfolio Managers may concurrently be acting for companies whose investment instruments are recommended to the relevant investment fund for purchase. Conflicts of interest may also occur if Investment Advisors or Portfolio Managers act on behalf of customers who want to sell or purchase the same financial instruments as the investment fund which is managed or advised by them. In particular cases, further conflicts of interest may arise which could have an effect on the performance of an investment fund.

An investment fund may not require its manager or advisor or their officers and directors to devote all or any specified portion of their time to managing the affairs of such investment fund, but only to devote so much of their time to such affairs as is reasonably required. In addition, an investment fund may not prohibit its manager or advisor or their affiliates from engaging in any other existing or future business. The officers and directors of the respective manager or advisor may invest for their own accounts in various investment opportunities. There may be personal relationships between the different parties involved in the management and administration of an investment fund and employees of one of these entities may take a position in another entity which could lead to a conflict of interest.

The Issuer may, among other things, act as prime broker or as Custodian Bank to the investment funds

used as Underlying or Basket Components for the Securities. Such services may include the extension of loans by the Issuer to one or more such investment funds. In connection with any such provision of services or extensions of credit, the Issuer will receive commissions for its prime brokerage services and/or payments in respect of such extensions of credit, which may affect the value of the relevant investment fund. To the extent that the Issuer provides prime brokerage services and/or extensions of credit, the Issuer will also have custody of the relevant fund's underlying assets and will possess a lien on and security interest in such assets to secure the investment fund's obligations to the Issuer. Often these assets will not be registered in the investment fund's names, but rather directly in the name of the Issuer. In the event of an insolvency or other event of default with respect to an investment fund, the Issuer as secured creditor will be entitled to, and prospective Security Holders should assume that it will, take action to realise upon and liquidate such assets in its capacity as secured creditor without taking into consideration the interests of any holder of Fund Shares and of the Security Holders. This may adversely affect the value of the relevant fund and, consequently, the value of the Securities.

#### *No passing on of rebates or other fees paid by the investment fund to the Issuer*

The Issuer may receive rebates or other fees on its investment in an investment fund. These rebates or other fees will not be distributed to the Security Holders but are used by the Issuer to finance the earnings mechanism of the Securities or otherwise.

#### *Political/regulatory risk*

In certain states and sectors, investments may be subject to significant regulation by federal, state and local government authorities (including in relation to the construction, maintenance and operation of facilities, environmental and safety controls, and, in some instances, the prices they may charge for the products and services they provide). Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement rules may be introduced in future which are likely to result in higher costs associated with compliance with the regulations and affect the financial performance of investments in those states and sectors. If unforeseen events occur, regulatory authorities and securities exchanges are generally entitled to take extraordinary measures with unpredictable effects on investments.

#### *Custody risks*

The investment fund's assets are usually held in custody by one or more custodians or sub-custodians. This may result in a potential risk of losses resulting from a breach of duties to exercise due care, wrongful use or the possible insolvency of the custodian or sub-custodian (if any).

#### *Valuation risks*

Not all investment funds may produce regular valuations at specified intervals. Without a reliable valuation of the investment fund share, it may not be possible to determine the value of the Securities. Even where regular valuations of an investment fund are provided, the valuation and/or publication of such values may be suspended in certain circumstances. Furthermore, the net asset value of an investment fund may rely to a considerable extent (or even completely) on estimated values which may prove later to be incorrect. Fees and commissions incurred by the investment fund may nonetheless be calculated on the basis of the estimated net asset values and may not be corrected subsequently.

#### *Country or transfer risks*

An investment fund's assets may be subject to specific country or transfer risks. A country risk exists when a foreign borrower, despite ability to pay, cannot make payments at all, or not on time, because of the inability or unwillingness of its country of domicile to execute transfers. This means that, e.g., payments to which the fund is entitled may not occur, or be in a currency that is no longer convertible due to restrictions on currency exchange. Furthermore, investing in foreign countries involves the risk of detrimental international political developments, changes in government policy, taxation and other changes in the legal status.

#### *Risks resulting from the possible effects of redemptions of Fund Shares*

Substantial redemption requests could require a fund to liquidate its assets more rapidly than otherwise intended pursuant to its investment program to raise liquidity for making payments to holders of Fund

Shares in connection with a redemption request. As result, and due to a reduction of the fund's asset portfolio, the fund may be less diversified. In addition, costs (e.g. transaction costs) have a more significant impact on the value of the fund.

Substantial redemption requests may, in certain circumstances, even lead to a premature dissolution of the fund. In addition, the redemption of Fund Shares could be contemporarily suspended by the fund.

#### *Specific risks affecting closed investment funds*

The legal environment and requirements for closed investment funds (qualifying as AIFs) are less strict and provide less protection for investors than is the case for UCITS. In the case of closed investment funds, capital commitments may be subject to capital drawdown requirements arising over time with the result that the investment of the full amount of a capital commitment could be financed over a number of years. The capital commitment may also be subject to a time limit and the relevant investment fund may not be required to pay its capital commitment in full. In consequence of the nature of the various types of capital commitments, there can be no guarantee that the full amount of the capital commitment will in fact be drawn down in due course or at all.

#### *Risks resulting from potential cross liability*

If the investment fund is a sub-fund within an umbrella structure, the performance of the investment fund is subject to the additional risk that a sub-fund is liable in general towards third parties for the liabilities of another sub-fund within the umbrella structure.

If the Underlying or the Basket Component is a Fund Share of a certain class of shares of an investment fund, the performance of the Underlying is subject to the additional risk that this class of shares is liable in general towards third parties for the liabilities of another class of shares of the investment fund.

#### *Risks with regard to public holidays*

Public holidays in jurisdictions other than the country, where the Fund is domiciled, may lead to a situation, where Fund Shares cannot be purchased or sold on the respective markets. This can result in unexpected price losses and delays with regard to execution or settlement of transactions. Any such losses or delays may have a negative impact on the value of the Fund Shares.

### ***3. General risks from investment activities in the case of Fund Shares as the Underlying or as components of an Underlying***

#### *Market risks*

The development of the prices and market values of the assets which are held by an investment fund is particularly dependent on the developments of the financial markets which themselves are influenced by the general condition of the world economy and the political parameters in the relevant countries. The general development of prices, in particular on securities exchanges, may also be affected by irrational factors such as sentiments, opinions and rumors.

#### *Currency risks*

An investment fund's income denominated in currencies other than the currency of that investment fund is subject to movements in the exchange rates of the currencies of the investments. This risk depends on the fluctuations of those currencies against the domestic currency of the investment fund and can result in further profits or losses for the investment fund in addition to those generated by the movement in price of the relevant asset.

#### *Risks due to lack of liquidity of the assets and financial instruments purchased*

The markets for some assets and financial instruments have only limited liquidity and depth. This may represent a disadvantage for an investment fund investing in those assets, both from the point of view of realising the sale of investments and of the investment process, leading to higher costs and possibly to lower returns.

#### *Counterparty risks*

Not all investment funds are subject to restrictions relating to the contractual partners (counterparties) with which they enter into transactions for investment purposes. As a consequence, they are exposed

to a certain extent to a general risk of non-payment (counterparty or issuer risk). Even if utmost care is exercised in the selection process, losses as a consequence of an (impending) default of a counterparty cannot be ruled out.

#### *Settlement risks*

Especially when investing in unlisted assets, there is a risk that settlement via a transfer system may not be executed as expected because a payment or delivery did not take place in time or as agreed. Also when selling or buying real estate or tangible assets, procedural defects can result in ownership not rightfully being transferred, which leads to delay of the transaction, additional costs and legal uncertainty.

#### *Concentration risks*

Investment funds which concentrate their investment activities on a small number of assets, markets or industry sectors generally have a more pronounced earnings and risk profile than investment funds with widely diversified investments. In addition to higher potential profits, this may result in higher risk and increased volatility. As an example, regional investment funds or country funds are subject to a higher risk of losses because they depend on the performance of particular markets and do not attempt to diversify risk more widely by investing in a variety of markets. Likewise, sector funds such as commodity, energy or technology funds entail an increased risk of losses because they do not aim to diversify risk with a wider range of investments across different sectors either.

#### *Risks arising from suspensions of trading*

Securities, currency and commodities exchanges are typically able to suspend or restrict trading in any instrument traded on such an exchange. A suspension could make it impossible for an investment fund to liquidate its positions, which may result in losses for that investment fund.

### ***4. Specific risks relating to Fund Management in the case of Fund Shares as the Underlying or as component(s) of an Underlying***

#### *Risks due to dependence on the fund managers*

The financial success of an investment fund is crucially dependent on the abilities, experience and expertise of the respective fund managers. If the fund managers responsible for investing the assets of the investment fund or the persons responsible for managing the fund are no longer available to administer the portfolio, this may have a negative effect on the financial performance of the relevant investment fund. Moreover, subjective (rather than systematic) decisions by the persons responsible for managing the fund may generate losses or prevent profits. Furthermore, it cannot be ruled out that the fund managers of an investment fund fail to adhere to the agreed investment strategies.

#### *Risks in the event of limited disclosure of investment strategies*

It may happen, especially in the case of AIFs, that an investment fund's investment strategy is disclosed only to a limited extent. In this event, it is not possible to analyse and review the investment fund's investment strategy given that it has not been disclosed, or disclosed only partially.

#### *Risks due to possible changes of investment strategies*

The investment strategy of an investment fund may change over time. The fund managers may therefore no longer follow the same investment strategy in the future that they applied in the past. In addition, in some cases the specific details of the particular investment strategy may be proprietary, and consequently investors in the investment fund will not have access to the full details of those methods or be able to check whether those methods are being followed. In particular, an investment fund may seek to engage in increasingly less liquid investments in an effort to achieve above-average risk-adjusted returns.

#### *Risks due to the agreement of performance bonuses*

Where an investment fund pays its fund management team or an investment advisor a performance-related commission or a share of profits in addition to a standard basic fee for investment advice, this may create an incentive for the recipient to make riskier or more speculative investments than would otherwise be the case. The riskier an investment is, the greater the risk of generating losses for the investment fund. It may also be the case in some circumstances that the remuneration received by an

investment fund's fund managers does not stand up to an arm's length comparison and may be greater than the fees that a different investment manager might have required.

#### *Risks due to "soft dollar" services*

When selecting brokers, banks, traders, advisors, and other service providers for an investment fund under their management, the managers of that investment fund may take into account certain products or services provided by or costs borne by these persons, in addition to factors such as price, reliability and creditworthiness. "Soft dollar" services of this nature may induce the fund managers to enter into transactions on behalf of the investment fund with, or to purchase services from, a person, even if that person is not offering the most favorable terms.

#### *Risks arising from misconduct by the fund managers*

Misconduct on the part of its fund managers may result in the respective investment fund being exposed to claims for damages by third parties or suffering substantial losses up to and including the total loss of the assets under management. This includes, for example, failure to observe the agreed investment strategies, misappropriation of fund assets, issuing false reports about the investment activities or the discovery of other forms of misconduct. There is also the possibility of breaches of securities laws due to the improper use of confidential information or the falsification of information that is significant for valuation purposes, which could result in some circumstances in substantial liability for damages to third parties or liabilities in connection with payments out of realised income or penalties imposed on the investment fund itself.

#### *Risks due to possible conflicts of interest*

The fund managers of an investment fund or the persons acting on its behalf may face conflicts of interest for a wide variety of reasons in connection with their management activities for the investment fund. Such conflicts of interest may arise, for example, in connection with the valuation of assets for which there is no easily ascertainable market price and whose value affects the remuneration of the fund managers. Furthermore, the fund managers may have other advisory appointments and be faced with the problem of sharing investment opportunities and transactions equally between all the clients for which they are responsible. Portfolio managers may also from time to time sell assets of an investment fund under their management to others of their clients, or purchase such assets from a client, or incur a conflict of interest because they are acting on behalf of customers who are buying and selling the same security. Finally, the fund managers of an investment fund may acquire ownership of, or some other financial interest in, particular external asset managers of the investment fund under their management and be faced with a conflict of interest as a result.

### ***5. Specific risks arising from assets purchased in the case of Fund Shares as the Underlying or as component(s) of the Underlying***

#### *General risks involved with investments in securities*

An investment in securities involves the possibility that the creditworthiness of the issuer of the security may deteriorate during its term. This fact may have a negative effect on the value of the security.

#### *Specific risks involved with investments in stocks*

Stocks involve certain risks such as an insolvency risk with respect to the relevant issuer, a price risk or a dividend risk. The performance of stocks substantially depends on the development of the capital markets which themselves are influenced by the general state of the world economy and the economic and political framework. Stocks of issuers with low or medium market capitalisation may even be subject to greater risks (e.g. with regard to their volatility or insolvency risk) than would be the case for stocks of larger companies. Moreover, stocks with low trading volumes and issuers with a low market capitalisation may be rather illiquid.

#### *Specific risks involved with investments in interest-bearing securities*

An investment in fixed-interest securities involves the possibility that the market level of interest rates at the time the relevant security is issued may change thereafter. If market interest rates rise compared to their level at the time of issuance, the price of fixed-interest securities will usually decline. If market interest rates fall, however, the price of fixed-interest securities will usually rise. Fluctuations differ

depending on the term of the fixed-interest securities whereas securities with shorter terms typically involve lower price risks than securities with longer terms.

*Specific risks involved with investments in assets with low credit ratings*

If an investment fund invests directly or indirectly in assets with a low credit rating (such as, for example, in securities with a rating below investment grade or distressed securities or loans), this will entail significant risks of loss for the relevant investment fund. Investments of this nature may be negatively affected by statutory provisions and other applicable regulations relating, for example, to insolvency proceedings, fraudulent transfers and other voidable transfers or payments, lender liability and the forfeiture of certain rights. In addition, the market prices of these assets are subject to abrupt and unpredictable market movements and above-average price volatility, while the spread between the bid and offer price of such securities may be larger than is usual in other securities markets.

*Specific risks involved with investments in volatile and illiquid markets*

If an investment fund invests in markets that are volatile or whose liquidity cannot be guaranteed, it may be impossible or expensive (especially in the event that trading is suspended or in the event of or daily price fluctuation limits in the trading markets or in other cases) for that investment fund to liquidate its positions with a contrary market movement. Alternatively, it may not be possible in certain circumstances for a position to be opened or liquidated immediately (in the event that there is insufficient trading volume in the respective market or in other cases). Moreover, the market prices, if available, of investments subject to statutory or other restrictions on transfer or for which there is no liquid market generally display higher volatility, and in some circumstances it may be impossible to sell the investments at the desired time or to realise their fair value in the event of sale. Investments in securities that are not quoted on a securities exchange or are traded in the over-the-counter market may be less liquid than publicly traded securities due to the absence of a public market for such securities. Furthermore, it may only be possible to sell non-publicly traded securities at a much later time than intended and/or, even though it is possible to resell such securities by means of privately negotiated transactions, the price realised from the sale may be less than the price originally paid. In addition, companies whose securities are not registered or publicly traded are not subject to the same disclosure and other investor protection requirements as companies whose securities are registered or publicly traded.

*Specific risks involved with investments in derivatives*

Derivatives trading may involve substantial losses in excess of the capital invested (and any collateral). Due to their limited term, rights resulting from derivatives may expire or show a substantial decline in value. Financial instruments intended to modify or act as a substitute for the movement in price of certain securities, currencies, markets, volatilities etc. generally involve a counterparty risk. The purchase of derivatives with borrowed funds may lead to a significant amplification of market trends. It may not be possible to execute transactions intended to exclude or limit the risks from derivative transactions, or only to execute such transactions at a loss. In the case of derivatives consisting of a combination of various underlying instruments, the risks inherent in the individual underlyings may be intensified. If two consecutive transactions are executed (e.g. in case of options on financial futures and securities index options), additional risks may arise as a result of the executed transaction which may be much greater than the risk associated with the first transaction. The risks in connection with derivatives transactions depend on the positions acquired for the funds. Potential losses may be limited to the price paid for an option or may be well in excess of the collateral, require additional collateral or result in indebtedness without the risk of loss being determinable in advance. In the case of derivatives that are traded on a non-regulated market, legal uncertainty may arise as a result of the non-regulated environment.

*Specific risks involved with investments in real estate and other tangible assets*

Investments in real estate and other tangible assets are exposed to particular risks especially with respect to their market value and the ongoing income generated. This applies both to direct investments and to investments via intermediate companies. The risks specific to real estate, in addition to currency risks in the case of real estate located in foreign countries and the risks arising from the general performance of the economy, include risks relating to the specific property such as possible vacancies, rent arrears and defaults, historical environmental damage or construction defects. This applies to a

similar extent for other tangible assets with the additional possibility of specific operator risks in particular cases. The condition of the asset and possible liability risks (e.g. as a consequence of environmental liability) may in some circumstances necessitate expenditure for maintenance, modernisation or remedial work that cannot be accurately estimated. Risks arising from natural hazards such as fire, floods, storms or earthquakes may in some circumstances be uninsured or uninsurable, or inadequately insured or insurable. Development projects may involve risks arising, in particular, from delays in authorisation processes or the construction work, or in the event that the budgeted costs are exceeded or that contractual partners exit from the project. In the case of assets situated in foreign countries, specific legal or tax risks may also arise (including an increased management and disposal risk). Investments via intermediate companies may entail additional legal and tax risks (including the risk that the shareholding in the intermediate company may be subject to restrictions on its transferability in some circumstances).

#### *Specific risks involved with investments in commodities*

The performance of commodities is subject to a multitude of factors over which the Issuer has no influence. Among others, they include fluctuating relationships between supply and demand, weather conditions, governmental, agricultural, political and economic measures, trade programs and directives aimed at affecting prices on the commodity exchanges, as well as interest rate fluctuations. The development of spot prices for commodities tends to be difficult to follow and may vary in different localities. Furthermore, the purchase, holding and sale of commodities may be subject to restrictions or additional taxes, charges or fees in certain jurisdictions. For particular legal reasons (e.g. because of governmental orders) or practical reasons (e.g. because no insurance coverage may be available), the ability to arrange physical delivery of certain commodities may be restricted and therefore influence their price. Finally, the prices for commodities may be subject to significant fluctuations as a consequence of changes in inflation rates or inflation expectations, their general availability and supply, bulk selling by government bodies or international organisations, speculative activity and monetary or economic decisions made by governments.

#### *Specific risks involved with investments in precious metals*

The holding, purchase or sale of precious metals may be subject to restrictions additional taxes, charges or fees in certain jurisdictions. The ability to arrange physical delivery of precious metals may be restricted for legal reasons (e.g. as a result of orders by government authorities) or for practical reasons (e.g. because the risk attaching to such deliveries cannot be insured). The prices for precious metals may be subject to significant fluctuations as a consequence of changes in inflation rates or inflation expectations, the availability and supply of precious metals, or due to bulk selling by government bodies, central banks or international agencies, speculative investment activity and monetary or economic decisions made by governments.

#### *Specific risks involved with investments in foreign currencies*

Foreign exchange trading may be subject to sharp movements in exchange rates and entails a significant risk of loss. Speculation in foreign currencies also involves counterparty risk since foreign exchange transactions are arranged on a principal to principal basis.

#### *Specific risks involved with investments in other investment funds (Fund of Funds)*

Where an investment fund ("**Fund of Funds**") invests in other investment funds ("**Target Funds**"), specific risks apply. The Target Funds in a Fund of Funds portfolio generally invest independently from each other and may from time to time hold economically converse positions. Moreover, the Target Funds may compete with each other for the same positions in certain markets. There can therefore be no guarantee that the selection of a number of Target Funds will be more successful than the selection of only a single Target Fund. The portfolio of a Fund of Funds may also be composed of only a few Target Funds and/or may be focused on particular strategies. Such a concentration on only a few investment managers and/or investment strategies involves particularly high risks and may lead to larger losses than in the case of a broad diversification of assets.

The fund managers of the respective Target Funds act independently from each other. It may therefore happen that different investment funds may pursue the same or opposite investment strategies. This can lead to an accumulation of existing risks and to the neutralisation of potential opportunities to generate profits. In general, the investment manager of a Fund of Funds is not in a position to control

the management of the Target Funds. The investment decisions of the Target Fund manager will not necessarily match the assumptions and expectations of the manager of the Fund of Funds. Furthermore, the current composition of the investments of the Target Fund will often not be known to the investment manager of the Fund of Funds. If the investment manager's assumptions and expectations regarding the investment composition of the Target Fund are not met, the fund manager may react by requesting redemption with respect to the Target Fund only after a substantial delay.

The valuation of the portfolio of a Fund of Funds may be subject to variations over time as a result of a large number of factors, in particular the valuation of the individual Target Funds whose value is also subject to variations over time. Variations in the value of a Target Fund may be offset by variations in the value of a different Target Fund, but may also be amplified. In addition, the valuation of the Target Funds is strongly dependent on the availability of prices and this can be assumed only in a very restricted form. The value of the share can only be determined on the basis of the information available about the values of the shares in the Target Funds. As a result, it may be generally the case that there are significant delays between the time at which events affecting the value of the fund assets occur, and the time at which they are notified.

The Fund of Funds must bear not only its own administration and management fees but also the administration and management fees of the Target Fund. There is therefore generally a doubling of the fees borne by the fund. A Fund of Funds normally pays substantial charges (including the Target Fund managers' fees based on assets under management and performance-related allocations or fees) which, if incurred, are payable irrespective of the overall profitability of the Fund of Funds (as opposed to the profitability of the individual Target Fund). A Fund of Funds typically provides for a performance-related fee or allocation to its general partner, manager or person serving in an equivalent capacity over and above the management fee based on assets under management. The fees and expenses incurred by a Fund of Funds reduce the net asset value and therefore the performance of such a Fund of Funds. Consequently, the value of a Fund of Funds does not fully reflect the total performance of the Target Funds it is invested in.

Target Funds and their respective fund managers may be subject to varying levels of regulation. Certain investments in funds and accounts opened and maintained may not be subject to comprehensive government regulation. The managers of such Target Funds may not be covered by insurance or by fidelity bonding. Moreover, the Fund of Funds generally has no control over the selection of the depositories for the assets of the Target Funds, which may also be subject to a lower degree of government supervision or regulation than commercial banks, trust companies or securities dealers.

The flexibility of the Fund of Funds manager when transferring assets and its ability to control risks due to the Fund of Funds structure are subject to certain limitations. The Fund of Funds may be unable in certain circumstances to withdraw its capital from a Target Fund, with the result that redemption requests from shareholders of the Fund of Funds may only be processed some months after the manager or advisor has determined that the Target Fund has begun to deviate from its previously announced trading strategies. It may be impossible for the Fund of Funds to redeem its shares in the underlying Target Funds when desired or to realise their market value in the event of such redemption. Furthermore, the Target Funds in which the Fund of Funds invests are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were registered or publicly traded. In addition, the Fund of Funds may be invested solely in Target Funds with below average liquidity.

*Specific risks involved with investing exclusively in another investment fund (Feeder Fund)*

Where an investment fund ("**Feeder Fund**") invests its assets more or less exclusively in another investment fund ("**Master Fund**"), the value of the investment may, if the Feeder Fund has a relatively small share in the Master Fund, be dependent on the actions of the other investors holding a larger share in the Master Fund, since they have a majority of the votes. Multiple Feeder Funds investing in the same Master Fund can result in an increased risk of conflicts of interest, especially for tax reasons. If a large shareholder redeems its shares in the Master Fund, the expense ratio for the remaining investors will increase. Furthermore, as the redemption of shares will lead to the sale of a significant portion of the Master Fund's assets, the remaining portfolio will be less diversified.

## ***6. Specific risks due to particular portfolio management techniques in the case of Fund Shares as the Underlying or as component(s) of the Underlying***

### *Risks of raising debt capital*

Where debt capital is raised for the account of an investment fund, this creates an additional layer of indebtedness which may have a negative impact on the performance of the relevant investment fund in the event that the portfolio value falls and returns are negative. This also applies to debt capital raised in the case of investment vehicles in which an investment fund invests directly or indirectly. If the returns and the growth in value of investments financed with debt are less than the costs of raising that debt, the net asset value of the relevant investment fund will fall. Accordingly, any event that has a negative effect on the value of an investment made by the investment fund or the underlying investment vehicles will be magnified to the extent that debt has been employed. The cumulative effects of using debt in a market moving against an investment financed with debt could result in a substantial loss, which may be greater than if debt capital had not been employed.

Where the investment strategy of an investment fund requires the use of significant amounts of debt, there can be no guarantee that financing arrangements will always be available, and the absence of such arrangements or a reduction in credit lines could mean that the relevant investment fund has to reduce its investment commitment accordingly. Furthermore, the terms on which financing arrangements are available may be subject to revision. There is no guarantee that a financing arrangement will be extended. In particular, there may be no third parties available as lenders. In addition, any financing agreement may be subject to early termination in accordance with its terms and conditions and be terminated by the counterparty. The loss, termination or reduction of a financing arrangement could result in the relevant hedge fund cutting its investment commitment and lowering its expected investment return accordingly. The extension of a financing arrangement may be subject to a change in the terms and conditions of that arrangement, which could include a change in the applicable interest margin, among other things. The interest expense for debt financing could be substantial and necessitate a reduction of the relevant investment fund's commitment in its investment strategy. A further factor is that debt-financed transactions generally involve the provision of collateral. Higher margin deposits or similar payments could require trading transactions to be carried out at times and prices that are disadvantageous for the relevant investment fund or the underlying investment vehicles and result in significant losses.

### *Risks involved with short sales*

If the investment strategy of an investment fund includes short sales (i.e. the sale of assets that are generally not in the seller's possession at the date of sale), this is done in the expectation of buying the relevant asset (or an exchangeable asset) at a lower price at a later date. Firstly, the asset sold must be borrowed to enable it to be delivered to the purchaser. The asset to be returned to the lender is purchased. A short sale of this nature will generate a loss if the value of the relevant asset increases between the date of the short sale and the date at which the asset is purchased. A short sale therefore theoretically incorporates an unlimited risk with respect to an increase in the price of the relevant asset, which could theoretically result in unlimited losses. There can also be no guarantee that the assets needed to cover a short position will be available for purchase. In addition, there are regulations in some markets prohibiting short sales at a price below the most recent selling price, which may prevent short sales being executed at the most favorable time.

### *Risks due to the use of trading systems and analytical models*

If complex trading systems and programs are used for the purpose of managing an investment fund, then, together with the rapidity and size of the transactions, they may sometimes result in contracts being entered into that in hindsight would not have been required by the trading system or program. The investment fund will have to bear the losses generated by contracts entered into unintentionally in this manner. Moreover, particular strategies may be used in the management of an investment fund that are dependent on the reliability and accuracy of the portfolio manager's analytical models. To the extent that such models (or the assumptions underlying them) prove to be incorrect, the investment fund cannot achieve its performance objectives as anticipated, which may result in considerable losses.

### *Risks involved with lending securities*

In order to generate additional income, investment funds may lend securities to broker-dealers, major banks or other recognised institutional borrowers of securities. The investment funds earn income from these securities loan transactions, which are generally collateralised by cash, securities or documentary credits. An investment fund might suffer a loss if the borrowing financial institution does not meet its obligations under the securities loan transaction. Securities loan transactions are subject to termination at the option of the fund or the borrower at any time. The investment fund may pay reasonable administrative and custodian fees in connection with a securities loan and may pay an agreed portion of the income earned on the cash deposited to the borrower or placing broker. As with other extensions of credit, there are risks of delay in return or even loss of rights in the collateral should the borrower be unable to comply with its financial obligations. There is a risk that the securities lent may not be available to the investment fund again at the proper time and that it may therefore lose the opportunity to sell the securities at a desirable price. Engaging in securities lending transactions may also have a leveraging effect, which may intensify the market risk, credit risk and other risks associated with investing in an investment fund. When an investment fund lends its securities, it is responsible for investing the cash collateral it receives from the borrower of the securities and could incur losses in connection with the investment of such cash collateral.

### *Risks involved with entering into sale and repurchase transactions*

An investment fund may enter into sale and repurchase transactions which involve the sale of securities held by the investment fund with a simultaneous agreement that the investment fund will repurchase such securities at an agreed price and date. This process involves the lending of particular securities to pre-approved counterparties or broker-dealers and a cash amount is received in return. Normally, 102% of the value of the securities is deposited as collateral with the counterparty; however, the figure is negotiable and may vary depending on the type of collateral employed. Higher collateral may be required for more volatile securities. If the income and gains on the securities purchased with the proceeds of these transactions exceed the costs of the transactions, then an investment fund's net asset value will increase more rapidly than would otherwise be the case; conversely, if the income and gains on the securities purchased in this way do not exceed the costs of the transaction, the net asset value will fall faster than would otherwise be the case. The use of sale and repurchase transactions as a method of leverage may increase an investment fund's return; however, these transactions may also increase the risks for the investment fund's portfolio and result in a capital loss for the investors in the investment fund.

### *Specific investment risks involved with synthetic investment strategies*

Specially structured derivative instruments (such as swap contracts) may also be used in managing investment funds, in order to benefit synthetically from the financial performance of an investment in particular assets or baskets of assets. Transactions of this nature involve particular risks. If an investment fund enters into a transaction with respect to a derivative instrument in which it undertakes to take over the payments from a particular asset or a basket of assets, in some circumstances it may not be able to increase or reduce its position during the term of that instrument. Moreover, synthetic derivative instruments are generally highly illiquid and it may not be possible to terminate them prior to the respective maturity date, or it may be possible to do so only by incurring contractual penalties. The use of synthetic derivative instruments does not convey any rights of ownership or control or other rights that would be acquired in the event of a direct investment in the underlying assets.

### *Risks involved with entering into hedging transactions*

The portfolio managers of an investment fund may make use of a variety of derivative financial instruments, such as options, interest rate swaps, caps and floors, futures and forward contracts, both for investment purposes and for hedging purposes (hedging transactions). Hedging transactions entail particular risks including possible default by the counterparty to the transaction, illiquidity, and, if the respective portfolio manager's or advisor's assessment of particular market movements is incorrect, the risk that the use of hedging transactions could result in greater losses than would have been the case without those transactions. Nonetheless, with respect to certain investment positions, an investment fund may not be sufficiently hedged against market fluctuations; in that case, an investment position could generate a greater loss than would have been the case if the investment fund had hedged the position adequately. Moreover, it should be noted that an investment fund's portfolio will always be

exposed to certain risks that cannot be hedged, such as credit risk (relating both to particular securities and to counterparties).

#### *Specific risks involved with investments in emerging markets*

Investments in emerging markets entail particular risks. Emerging markets are up-and-coming economies (in particular in Latin America, Asia and Africa) i.e. regions with very rapid growth in some cases, but whose capital markets are also highly volatile and illiquid. The currencies in which such investments are made may be unstable and not freely convertible, and may suffer a rapid fall in value. The value of investments in emerging markets may be affected by political, legal and fiscal uncertainties. Emerging markets are generally at an early stage of development, have only low market volumes, are less liquid and display greater volatility than established markets. In addition, they have hardly any regulations and existing laws may not be applied consistently. The execution of transactions may be subject to delays and administrative uncertainties. Custodians may not be in a position to provide the same degree of service, security, settlement and management of financial instruments as would be normal in better developed markets.

#### *Specific risks associated with exchange traded funds ("ETFs")*

ETFs generally aim to replicate the performance of a particular index, basket or individual asset. However, the constitutional documents or the investment program of an ETF allow the Benchmark to be replaced in certain circumstances. As a result, the ETF might not continuously replicate the performance of the original Benchmark. ETFs may either replicate the performance of a Benchmark fully by investing directly in the assets included in the relevant Benchmark or use synthetic replication techniques like swaps or other sampling techniques. The value of ETFs is therefore particularly dependent on the value and performance of the assets and securities used to replicate the Benchmark. Nevertheless, differences between the unit price of the ETF and the actual value of the Benchmark cannot be ruled out.

In contrast to other funds ETFs are generally not actively managed. Instead, investment decisions are predetermined by the relevant Benchmark and its constituent assets. A negative performance of the Benchmark usually results in a decline of the ETF's net asset value and the unit price determined on the relevant exchange. Moreover, the replication of a Benchmark typically entails additional risks such as the risk that some Benchmark constituents may be illiquid or the credit risk relating to swap counterparties; in particular, ETFs using derivatives to replicate or hedge positions may incur disproportionately high losses in the case of an unexpected negative performance by the Benchmark due to the leverage effect.

There can be no guarantee in the case of ETFs that an admission to trading or quotation can be maintained at all times. The unit price of an ETF is composed of the total value of all the securities in its portfolio, less any liabilities, i.e. the net asset value. A decline in the unit price or value of the fund's securities or other investments while replicating the performance of a Benchmark (the "**Benchmark**") will result in losses for the fund and the fund units. Even a wide spread of investments and broad diversification cannot exclude the risk of a decline in the unit prices due to the negative development of particular markets. The unit price of an ETF is determined on the basis of supply and demand. This unit price may differ from the final net asset value published by the investment fund. Divergences may therefore arise between the unit price and the actual net asset value during trading hours.

### **7. Additional risks related to indices as Underlying**

#### *Similar risks to a direct investment in index components*

The performance of Securities linked to indices (the "**Index-linked Securities**") depends on the performance of the respective index. The performance of an index depends primarily on the performance of its components (the "**Index Components**"). Changes in the price of the Index Components may have an effect on the index and, likewise, changes to the composition of the index or other factors may also have an effect on the index. Accordingly, an investment in an Index-linked Security may bear similar risks to a direct investment in the Index Constituents. Generally, an index may at any time be altered, terminated or replaced by any successor index. This may result in adjustments to the Securities (as described in *Risks related to Adjustment Events*) or in an extraordinary early termination of the Securities (as described in *Risks arising from the Issuer's extraordinary call right*). Disruptions regard-

ing the trading of the shares may lead to Market Disruption Events (as described in *Risks related to Market Disruption Events*).

#### *No influence of the Issuer on the index*

If neither the Issuer nor any of its affiliates acts as index sponsor, the Issuer neither has influence on the index nor on the method of calculation, determination and publication of the index (the "**Index Concept**") or its modification or termination.

If neither the Issuer nor any of its affiliates acts as index sponsor, Index-linked Securities are not in any way sponsored, endorsed, sold or promoted by the respective index sponsor. Such index sponsor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index or the prices at which the index stands at a particular time. Such index is composed, calculated (if so) and determined by its respective index sponsor independently from the Issuer of the Securities. Such index sponsor is not responsible or liable for the issuance, the administration, the marketing or the trading of the Securities.

#### *Risks arising from special conflicts of interest in relation to indices*

If the Issuer or any of its affiliates acts as index sponsor, index calculation agent, advisor or as a member of an index committee, or in a similar position, this may lead to conflicts of interest. In relation to such function, the Issuer or any of its affiliates may, *inter alia*, calculate the price of the index, carry out adjustments (e.g. by exercising its reasonable discretion) to the Index Concept, replace the Index Constituents and/or determine the composition and/or weighting. These measures may have an adverse effect on the performance of the index, and thus on the value of the Securities and/or the amounts to be distributed under the Securities.

#### *Risks related to Strategy Indices*

Strategy indices (the "**Strategy Indices**") represent hypothetical rule-based investment strategies (i.e., no actual trading or investment activities take place) conducted by an index sponsor. As a general rule, Strategy Indices entitle the index sponsor to extensively exercise its discretion when calculating the index which may lead under certain circumstances to a negative performance of the index.

#### *Risks related to Price Indices*

In the case of price or price-return indices (the "**Price Indices**"), dividends or other distributions paid out with respect to Index Components will not be considered when calculating the price of the index and consequently have a negative impact on the price of the index, because the index components will as a rule be traded with a discount after the pay-out of dividends or distributions. This has the effect that the price of the Price Index does not increase to the same extent or falls to a greater extent than the price of a comparable total return / performance index (the "**Total Return Index**"), which reflects gross payments, or Net Return Index.

#### *Risks related to Net Return Indices*

In the case of net return indices (the "**Net Return Indices**"), dividends or other distributions paid out or made on the Index Components will be considered when calculating the price of the index as net payments after deduction of an average tax rate, as specified by the relevant Index Sponsor. This tax deduction has the effect that the price of the net return index does not increase to the same extent or falls to a greater extent than the price of a comparable Total Return Index.

#### *Risks related to Short Indices*

In the case of short indices (the "**Short Indices**"), as a rule, the price of the index develops in a reverse manner to the market or long index to which it refers. This means that the price of the Short Index generally rises when the prices of the market or long index to which it refers fall, and that the price of the Short Index falls when the prices of the market or long index to which it refers rise.

#### *Risks related to Leverage Indices*

Leverage indices (the "**Leverage Indices**") consist of two different components, the index to which the leverage index refers (the "**Reference Index**") and the leverage factor (the "**Leverage Factor**"). The performance of the leverage index is linked to the per cent performance per day of the Reference

Index by applying the Leverage Factor. Depending on the respective Leverage Factor, the daily price of the Leverage Index falls or rises to a greater extent than the price of the respective Reference Index.

If the leverage index has exceeded a certain threshold due to extraordinary price movements during a trading day, the leverage index may be adjusted intra-daily in accordance with the relevant Index Concept. Such adjustment may lead to a reduced participation of the leverage index in a subsequent increase in price of the Reference Index.

In the case of Securities linked to a Leverage Index, Security Holders **may to a greater extent be suffering a loss of the invested capital.**

#### *Risks related to Distributing Indices*

In the case of distributing indices (the "**Distributing Indices**") dividends or other distributions, made from the Distributing Index, will usually result in a discount on the price of Distributing Index. This has the effect that the price of the Distributing Index in a longer term does not rise to the same extent or falls to a greater extent than the price of a comparable Net Return Index or Total Return Index.

#### *Risks related to Excess Return Indices*

In the case of Excess Return Indices, the investor indirectly invests in futures contracts and thus is exposed to the same risks as described in *Risk related to futures contracts*.

#### *Risks in relation to country or sector related indices*

If an index reflects the performance of assets only of certain countries, regions or sectors, this index is affected in a disproportionately negative manner in the case of an unfavourable development in such a country, region or industrial sector.

#### *Currency risk contained in the index*

Index Components may be listed in different currencies and therefore exposed to different currency influences (this particularly applies to country or sector related indices). Furthermore, it is possible that Index Components are converted first from one currency to the currency which is relevant for the calculation of the index, and then converted again in order to calculate and determine the amounts to be distributed under the Securities. In such cases, Security Holders are confronted with several currency and Currency Exchange Rate risks, which may not be obvious for a Security Holder.

#### *Adverse effect of fees on the index level*

If the index composition is adjusted in accordance with the relevant Index Concept, fees may arise that are subject of the index calculation and which reduce the level of the index. This may have a negative effect on the performance of the index. Indices which reflect certain markets or sectors may use certain derivative financial instruments. This may lead to higher fees and thus a lower performance of the index than it would have been the case with a direct investment in these markets or sectors.

#### *Risks arising from the publication of the index composition which is not constantly updated*

For some indices its composition will not entirely be published or only with retardation on a website or in other public media specified in the Final Terms. In this case the composition exposed might not always correspond with the current composition of the respective index used for calculating the amounts payable under the Securities. The delay may be substantial and, under certain circumstances last several months. In this case the calculation of the index may not be fully transparent to the Security Holders.

#### *Risks of unrecognised or new indices*

In the case of a not recognised or new financial index, there may be a lower degree of transparency relating to its composition, maintenance and calculation than it would be the case for a recognised financial index, and there may in some circumstances be less information available about the index. In addition, subjective criteria may play a much greater role in the composition of the index in such cases, and there may be a greater degree of dependence on the agent responsible for the composition, maintenance and calculation of the index than it would be the case for a recognised financial index. Furthermore, particular investors (e.g. Undertakings for Collective Investment in Transferable Securities (UCITS) or insurance companies) may be subject to specific administrative restrictions relating to the purchase of Securities linked to such index which have to be considered by these investors. Final-

ly, the provision of indices, the contribution of input data to indices and the use of indices may from time to time be subject to regulatory requirements and restrictions which may affect the ongoing maintenance and availability of an index.

## **RESPONSIBILITY STATEMENT**

UniCredit Bank AG having its registered office at Kardinal-Faulhaber-Straße 1, 80333 Munich, Germany, UniCredit International Bank (Luxembourg) S.A. having its registered office at 8-10 rue Jean Monnet, L-2180 Luxembourg, and UniCredit S.p.A. having its registered office at Via A. Specchi 16, 00186, Rome, Italy, accept responsibility for the information contained in this Base Prospectus. The Issuers and the Guarantor declare that the information contained in this Base Prospectus is, to the best of their knowledge, in accordance with the facts and that no material information has been omitted.

## CONSENT TO THE USE OF THE BASE PROSPECTUS

The relevant Issuer and, if the Securities are Guaranteed Securities, the Guarantor, each hereby consent to the use of the Base Prospectus to the extent and the conditions as set out in the Base Prospectus and the Final Terms during the term of its validity in accordance with Article 9 of the Prospectus Directive.

The relevant Issuer and, if the Securities are Guaranteed Securities, the Guarantor, each accept responsibility for the information given in the Base Prospectus, in any supplement thereto as well as in the Final Terms also with respect to the subsequent resale or final placement of the Securities by financial intermediaries, who obtained the consent to use the Base Prospectus, any supplement thereto as well as the Final Terms.

Such consent can be given to all (so-called general consent) or only one or several specified financial intermediaries (so-called individual consent) and will be determined in the Final Terms.

Such consent can be given in relation to the following member states, in which the Base Prospectus is valid or into which it has been notified as specified in the Final Terms: Austria, Belgium, Czech Republic, France, Germany, Ireland, Italy, Luxembourg, Poland, Slovakia and the United Kingdom.

The Issuer's and, if the Securities are Guaranteed Securities, the Guarantor's consent to the use of the Base Prospectus is given under the condition that each financial intermediary complies with the applicable selling restrictions and the terms and conditions of the offer. Furthermore, in connection with the consent to the use of the Base Prospectus the relevant Issuer may impose the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the Securities. This commitment is made by the publication of the financial intermediary on its website stating that the prospectus is used with the consent of the relevant Issuer and subject to the conditions set forth with the consent. The consent to the use of the Base Prospectus will be given for the Offer Period specified in the Final Terms.

The distribution of this Base Prospectus, any supplement thereto and the Final Terms as well as the offer, sale and the delivery of the Securities may be restricted by law in some jurisdictions. Each financial intermediary and/or each person, who is in the possession of this Base Prospectus, a supplement thereto and the Final Terms, must be informed of and comply with such restrictions. The relevant Issuer and, if the Securities are Guaranteed Securities, the Guarantor reserve the right to withdraw their consent to the use of this Base Prospectus in relation to certain financial intermediaries.

**Information on the terms and conditions of the offer by any financial intermediary is to be provided at the time of the offer by the financial intermediary.**

**Any further financial intermediary using the Base Prospectus shall state on its website that it uses the Base Prospectus in accordance with this consent and the conditions attached to this consent.**

**New information with respect to financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms, as the case may, will be published and will be found on the website of the relevant Issuer (<http://www.onemarkets.de> for UniCredit Bank AG and <http://www.unicredit.lu> for UniCredit International Luxembourg) (or any successor website).**

## DESCRIPTION OF THE ISSUERS AND THE GUARANTOR

### **Description of HVB**

UniCredit Bank AG, formerly Bayerische Hypo- und Vereinsbank Aktiengesellschaft, was formed through the merger of Bayerische Vereinsbank Aktiengesellschaft and Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft, which was registered with the commercial register on 31 August 1998. The description of HVB is incorporated by reference into this Base Prospectus. The incorporation is made by reference to the description of the Issuer included in the Registration Document of UniCredit Bank AG dated 24 April 2015 and the Unaudited Consolidated Half-Yearly Financial Report of HVB Group as at 30 June 2015. A list stating where the information incorporated by reference may be found is set out on pages 439 seq.

### **Description of UniCredit International Luxembourg**

The description of UniCredit International Luxembourg is incorporated by reference into this Base Prospectus. The incorporation is made by reference to the description of the Issuer included in the EMTN Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 15 June 2015. A list stating where the information incorporated by reference may be found is set out on pages 439 seq.

### **Description of UniCredit**

The description of the Guarantor is incorporated by reference into this Base Prospectus. The incorporation is made by reference to the description of the UniCredit included in the EMTN Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 15 June 2015, the Supplement dated 13 August 2015. A list stating where the information incorporated by reference may be found is set out on pages 439 seq.

## GENERAL DESCRIPTION OF THE PROGRAMME

The Securities to be issued under this Base Prospectus will be issued by (i) UniCredit Bank AG ("**UniCredit Bank**" or "**HVB**") under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG, or (ii) UniCredit International Bank (Luxembourg) S.A. ("**UniCredit International Luxembourg**") under the Euro 1,000,000,000 Debt Issuance Programme of UniCredit International Bank (Luxembourg) S.A. HVB and UniCredit International Luxembourg are each an "**Issuer**" and together the "**Issuers**". The payment of all amounts due in respect of the securities issued by UniCredit International Luxembourg will be guaranteed by UniCredit S.p.A. ("**UniCredit**" or the "**Guarantor**"). Securities issued by UniCredit International Luxembourg will have a minimum denomination EUR 100,000.

### Features of the Securities

#### *General*

The Securities will be issued as debt instruments with a Nominal Amount, constituting debt instruments in bearer form (*Inhaberschuldverschreibungen*) (in the case of Securities governed by German law pursuant to § 793 BGB). The method of calculating the Redemption Amount of the Securities and, in the case of Fund Reverse Convertible Securities, the provisions as to whether Physical Settlement of the Underlying is made are linked to the value of the Underlying at a certain point in time.

Under this Base Prospectus Securities of the product types mentioned below may be issued for the first time or, in case Fund Index Securities or Fund Index Telescope Securities, the continuance of a public offer or an increase of Securities which have been publicly offered or admitted to trading for the first time before the date of this Base Prospectus (the "**Previous Products**") may be effected. In case of Previous Products, the Final Terms specify that they are to be read in conjunction with this Base Prospectus as well as along with another base prospectus which is specified in the Final Terms (a "**Previous Prospectus**"), of which the description of the Securities and the conditions of the Securities are incorporated by reference into this Base Prospectus. In this respect, the description of the Securities and the conditions of the Securities of the relevant product type are not printed in this Base Prospectus, but have to be read in the respective Previous Prospectus (see sections "Description of the Securities incorporated by reference in the Base Prospectus" and "Conditions of the Securities incorporated by reference in the Base Prospectus"). The name of the relevant product type is specified in the Final Terms.

#### *Product types*

Under this Base Prospectus, Securities of the following product types are issued:

- Garant Securities,
- Fund Index Securities,
- Fund Reverse Convertible Securities,
- Sprint Securities,
- Garant Basket Securities,
- Garant Rainbow Securities,
- Fund Index Performance Telescope Securities,
- Garant Performance Telescope Securities,
- Garant Performance Telescope Basket Securities,
- Fund Index Telescope Securities,
- Fund Index Geoscope Securities,
- Garant Telescope Securities,
- Garant Geoscope Securities, and
- Securities linked to Target Vol Strategies

### ***Form of the Securities***

The Securities will either be represented by a permanent global note without interest coupons or initially by a temporary global note without interest coupons which will be exchangeable for a permanent global note without interest coupons, as specified in the Final Terms.

The Security Holders are not entitled to receive definitive Securities.

### ***Interest***

Fund Reverse Convertible Securities are interest-bearing Securities. Garant Securities, Fund Index Securities, Fund Index Telescope Securities, Fund Index Geoscope Securities, Fund Index Performance Telescope Securities, Garant Basket Securities, Garant Performance Telescope Securities, Garant Rainbow Securities, Garant Telescope Securities, Garant Geoscope Securities, Sprint Securities and Securities linked to Target Vol Strategies do not bear interest.

### ***Underlying***

The Underlying of the Securities may be either units or shares of investment funds (each a "**Fund Share**") or indices related to Fund Shares or to a basket of Fund Shares (each an "**Underlying**"). Index may be the index described in the section "Description of indices which are composed by the Issuer or any legal entity of the same group" or another index which is not composed by the Issuer or any legal entity belonging to the same group. Further indices which are composed by the Issuer or any legal entity belonging to the same group of the Issuer may be included in the Base Prospectus as a potential Underlying of the Securities by way of a supplement. The Underlying is the main influencing factor on the value of the Securities.

For Securities with physical delivery of Underlyings it is excluded that they were issued by the issuer or by a legal entity belonging to the same group of the issuer.

The deduction of any fees or other price-influencing factors may also influence the actual performance of the Securities.

### ***Term***

The Securities have a fixed term, which may be reduced in certain circumstances.

### ***Limitation of the rights***

Upon the occurrence of one or more Adjustment Events, as specified in the relevant Final Terms, the Calculation Agent will in its reasonable discretion (§ 315 BGB) adjust the Terms and Conditions of these Securities and/or all prices of the Underlying or its components determined by the Calculation Agent on the basis of the Terms and Conditions of the Securities, pursuant to the relevant Final Terms, in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible.

In the case of Fund Reverse Convertible and Sprint Securities, upon the occurrence of one or more Call Events (the "**Call Events**"), as specified in the relevant Final Terms, the Issuer may call the Securities extraordinarily pursuant to the Final Terms and redeem the Securities at their Cancellation Amount. The "**Cancellation Amount**" is the reasonable market value of the Securities determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)

In case of Garant, Fund Index, Garant Basket, Garant Rainbow, Fund Index Performance Telescope, Garant Performance Telescope Securities, Garant Performance Telescope Basket Securities, Fund Index Telescope Securities, Garant Telescope Securities and Securities linked to Target Vol Strategies the Securities shall be redeemed at the Settlement Amount on the Maturity Date upon the occurrence of a conversion event (the "**Conversion Event**") (as specified in the Final Terms). The "**Settlement Amount**" is equal to the market value of the Securities plus interest accrued up to the Redemption Date at the market rate of interest being traded at that time for liabilities of the Issuer with the same remaining term as the Securities as of the tenth Banking Day following the occurrence of the Conversion Event, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). However, the Security Holder receives at least the Minimum Amount.

### ***Governing law of the Securities***

The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed either by German law or, except for Securities linked to Target Vol Strategies, by English law as specified in the applicable Final Terms.

### ***Status of the Securities***

The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, *pari passu* with all other unsecured unsubordinated present and future obligations of the Issuer.

### ***Quanto and Compo elements***

Non-Quanto Securities are Securities where the Underlying Currency is the same as the Specified Currency. Quanto Securities are Securities, where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency. In the case of Quanto Securities that provide for Physical Settlement of the Underlying in certain circumstances, the quantity of the Underlyings to be delivered and/or of the Supplemental Cash Amount is increased or reduced before delivery according to the exchange rate movement in order to offset any exchange rate losses or gains during the term of the Securities.

Compo Securities are Securities where the Underlying Currency is not the same as the Specified Currency and no currency protection element is provided. In the case of Compo Securities, the Redemption Amount is converted into the Specified Currency before payment is made using the exchange rate (FX). The Security Holder therefore bears the entire exchange rate risk during the term of the Securities.

### ***Representative of Security Holders***

There shall be no representative of the Security Holders.

### **Method and time limits for delivery of the Securities**

The Securities are delivered in terms of co-ownership of the Global Note which will be kept in custody. Delivery is provided for against payment or free of payment or any other delivery method as specified in the Final Terms.

### **Publications**

The Base Prospectus, any supplement to the Base Prospectus and the respective Final Terms are available on the website as specified in the respective Final Terms or on any successor website. In addition, the Base Prospectus, any supplement to the Base Prospectus and, if the relevant Securities are listed on the Luxembourg Stock Exchange, the respective Final Terms will be automatically published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Issuer does not intend to provide information following an issuance of Securities, unless either required by any applicable laws and regulations or the Terms and Conditions provide for an obligation to publish notices in certain cases. In such cases, a publication will be made on the Website for Notices as specified in the Final Terms (or any successor page) in accordance with § 6 of the General Conditions.

### **Issue Price**

If the Issue Price per Security is specified prior to the start of the public offering, it will be set out in the Final Terms.

If the Issue Price per Security is determined after the start of the public offering, the Final Terms will specify the criteria or conditions, on the basis of which the Issue Price may be determined. In this case the Issue Price will be published after its specification on the website(s) as specified in the relevant Final Terms (or any successor page).

## **Pricing**

The issue price at which the Securities will be initially offered (the "**Issue Price**") as well as the bid and offer prices quoted by the Issuer are based on internal pricing models of the Issuer. They may contain, beside upfront and distribution fees, an expected margin for the Issuer. Generally, the margin may contain costs, which, i.a., cover the Issuer's costs for structuring the Securities, risk hedging of the Issuer and the distribution.

## **Selling concession or other concessions**

Selling concessions or other concession may be charged as set out in the Final Terms.

In the case of Securities offered to Italian consumers the Final Terms will also state the presumable value at which the Security Holders may liquidate the Securities in the case of divestment the day after the Issue Date.

## **Placing and distribution**

The Securities may be distributed by way of public or private placements and either by the Issuer or through financial intermediaries as agreed between the Issuer and the relevant financial intermediary and as stated in the applicable Final Terms.

## **Admission to trading and listing of the Securities**

Application has been made to the Luxembourg Stock Exchange for Fund-linked Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market (as contemplated by Directive 2014/65/EU). Application may also be made to list and trade Securities to be issued under the Programme on the markets or trading systems as set out in the Final Terms. In addition, the relevant Final Terms will specify all the regulated or other equivalent markets, on which, to the knowledge of the Issuer, securities of the same class of securities are already admitted to trading.

The Issuer may also make an application to listing of the Securities on another stock exchange, another market and/or trading system. In this case the Final Terms may indicate the respective other stock exchange, other market and/or other trading system and the earliest date (if known) on which the Securities are or will likely be listed.

The Securities may also be issued without being admitted to trading, listed or traded on any regulated or other equivalent market, any other stock exchange, any other market and/or trading system.

Even if the Issuer makes such application there is no guarantee that this application will be granted or that an active trading will occur or develop.

## **Potential investors**

The Securities may be offered to qualified investors and/or retail investors and/or institutional investors as stated in the Final Terms.

If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, such information will be given in the Final Terms.

## **Terms and conditions of the offer**

If applicable, the following details regarding the terms and conditions of the offer will be indicated in the Final Terms:

- (i) day of the first public offer;
- (ii) start of the new public offer;
- (iii) information about the continuance of a public offer of Securities which have already been issued;
- (iv) information about the increase of Securities which have already been issued;
- (v) a subscription period;

- (vi) the country(ies) where the offer(s) to the public takes place;
- (vii) smallest transferable and/or tradable unit;
- (viii) the conditions for the offer of the Securities;
- (ix) possibility of an early termination of the public offer.

### Distributors

Under this Programme, the Issuer may from time to time issue Securities to one or more financial intermediaries acting as a distributor (each a "**Distributor**" and together the "**Distributors**") as set out in the Final Terms. The Distributors may underwrite the Securities with or without a firm underwriting commitment or under a best efforts arrangement as agreed in a subscription agreement.

In the case of Securities offered to Italian consumers, the Issuer or the Distributor is the intermediary responsible for the placement of the Securities ("*Responsabile del Collocamento*"), as defined in article 93-bis of the Italian Legislative Decree 24 February 1998, n. 58 (as subsequently amended and supplemented).

### Offer during a subscription period

The Securities may be offered to the public during a Subscription Period. For the purpose of acquisition, a potential investor has to make a subscription order to be forwarded to the Issuer during the Subscription Period. If specified in the Final Terms, the Securities may be offered continuously thereafter. The Issuer reserves the right to extend or shorten the subscription period or to withdraw the issue prior to the Issue Date during the Subscription Period for any reason. The Issuer has the right to accept or reject the subscription orders of potential investors in whole or in part, irrespective of whether or not the intended volume of the Securities to be placed is reached. The Issuer has the right to make allocations at its own discretion; whether and to what extent the Issuer exercises such right is subject to its own discretion. Potential investors who made purchase offers in the form of subscription orders may presumably be informed by the Issuer from the first Banking Day onwards following the end of the Subscription Period on the number of Securities allocated to them. Trading in the Securities may start prior to the notification of the allocation. Subscription orders are irrevocable, except for Securities being offered to consumers. In the case of Securities being offered to consumers, subscription orders are subject to revocation rights applicable to the "door to door selling" and the "long distance technique selling".

### Ratings

#### HVB

HVB has been rated as follows by Fitch Ratings Ltd. ("**Fitch**"), Moody's Investors Service Ltd. ("**Moody's**") and Standard & Poor's Ratings Services ("**S&P**") (Status: June 2015):

	<b>Long-term Senior Notes</b>	<b>Subordinated Notes</b>	<b>Short-term Notes</b>	<b>Outlook</b>
<b>Moody's</b>	A3	Baa3	P-2	negative
<b>S&amp;P</b>	BBB	BB+	A-2	negative
<b>Fitch</b>	A-	BBB+	F2	negative

The Securities to be offered may be rated or unrated. Where an issue of Notes is rated, its rating may not be the same as the rating as set out above and such rating may be disclosed in the relevant Final Terms.

A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Fitch's long-term credit ratings are set up along a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C, RD down to D. Fitch uses the intermediate modifiers "+" and "-" to denote relative status within the categories from AA to B. Fitch has also the possibility for guidance (termed "on watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (evolving). Fitch's

short-term ratings reflect a bank's vulnerability to default in the short term at the levels F1+, F1, F2, F3, B, C, RD and D.

Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-rating category. Moody's also has the option of adding further guidance (referred to as "under review") as to whether a rating is likely to be upgraded (possible upgrade), downgraded (possible downgrade) or uncertain (direction uncertain). Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations and range from P-1, P-2, P-3 down to NP (Not Prime).

S&P assign long-term credit ratings on a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C, SD to D. The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. S&P may also offer guidance (termed a "credit watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (developing). S&P assigns short-term credit ratings for specific issues on a scale from A-1+, A-1, A-2, A-3, B, C, SD down to D.

HVB confirms that the information contained in this section "Ratings" has been accurately reproduced and that as far as HVB is aware and is able to ascertain from information published by Fitch, Moody's and S&P, respectively, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Fitch and Moody's are established in the European Union and have been registered under Regulation (EC) No. 1060/2009 (as amended from time to time) (the "CRA Regulation"). S&P is not established in the European Union but a European Union affiliate has been registered under the CRA Regulation. The European Securities and Markets Authority ("ESMA") publishes on its website ([www.esma.europa.eu](http://www.esma.europa.eu)) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

**UniCredit**

UniCredit has been rated as follows:

<b>Description</b>	<b>Standard &amp; Poor's</b>	<b>Moody's</b>	<b>Fitch ratings</b>
<b>Short Term Counter-party Credit Rating</b>	A-3	P-2	F2
<b>Long Term Counter-party Credit Rating</b>	BBB-	Baa1	BBB+
<b>Outlook</b>	stable	stable	stable
<b>Tier II Subordinated Debt</b>	BB	Ba1	BBB

## DESCRIPTION OF THE SECURITIES

### OPTION 1: GARANT SECURITIES

#### *General*

Garant Securities are Securities where the redemption on the Maturity Date is based on R (final). Under this Base Prospectus, Garant Securities will be issued in the form of Garant Securities and Garant Cap Securities. If a Conversion Event occurs, the Garant Securities will be redeemed on the Maturity Date at the Settlement Amount. Garant Securities always provide for Cash Settlement at the end of the term. The Security Holder receives at least the specified minimum redemption payment. The Redemption Amount may be less than the Nominal Amount.

Garant Securities may be issued as non-Quanto, Quanto or Compo Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities. Compo means that the Underlying is traded in a currency other than the Specified Currency. In the case of Garant Compo Securities, the Redemption Amount is converted into the Specified Currency before payment is made using the exchange rate (FX). The Security Holder consequently bears the full exchange rate risk at maturity and – if the Securities are sold early – during the term.

#### *Interest*

The Securities do not bear interest.

#### *Redemption*

##### *Garant Securities*

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor multiplied by
  - (b) the Performance of the Underlying minus the Strike.

The Redemption Amount is in no case less than the Minimum Amount.

The Securities are deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

##### *Garant Cap Securities*

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor multiplied by
  - (b) the Performance of the Underlying minus the Strike.

However, the Redemption Amount will not be less than the Minimum Amount or greater than the Maximum Amount.

The Securities are deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

### ***Definitions***

#### ***Conversion Event***

In the case of Quanto and non-Quanto Securities, each Fund Conversion Event is a Conversion Event. In the case of Compo Securities, each Fund Conversion Event and FX Conversion Event is a Conversion Event.

#### ***Settlement Amount***

For the purpose of determining the Settlement Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period from the occurrence of the Conversion Event to the Maturity Date on the basis of the market rate of interest traded at the time with reference to liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, then the Settlement Amount will be equal to the Minimum Amount.

#### ***Maximum Amount***

The Maximum Amount is equal to the Nominal Amount multiplied by the Cap Level.

#### ***Minimum Amount***

The Minimum Amount is the amount specified in the "Minimum Amount" column in § 1 of the Product and Underlying Data. Otherwise the Minimum Amount is equal to the Nominal Amount multiplied by the Floor Level.

#### ***Performance of the Underlying***

Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.

#### ***Floor Level***

The Floor Level is the amount specified in the "Floor Level" column in § 1 of the Product and Underlying Data.

#### ***Fund Conversion Event***

Fund Conversion Event means any of the following events:

- (a) where an adjustment pursuant to § 8 (1) of the Special Conditions required as a result of the occurrence of an Adjustment Event is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) following the occurrence of a Fund Replacement Event, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent and no Replacement Underlying is available;
- (c) if the Management Company no longer performs its function, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent and no replacement Management Company is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

#### ***FX Conversion Event***

FX Conversion Event means any of the following events:

- (a) where in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no suitable New FX Fixing Sponsor (as defined in § 9

(1) of the Special Conditions) or Replacement Exchange Rate (as defined in § 9 (2) of the Special Conditions) is available;

- (b) due to the occurrence of special circumstances or force majeure event (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entry of the country whose currency is used into the European Economic and Monetary Union, withdrawal of that country from the European Economic and Monetary Union and other circumstances having a comparable impact on the FX) the reliable determination of the FX is impossible or impracticable.

## **OPTION 2: FUND INDEX SECURITIES**

### ***General***

Fund Index Securities are Securities where the redemption on the Maturity Date is based on R (final). Under this Base Prospectus, Fund Index Securities will be issued in the form of Fund Index Securities with a Minimum Amount and Fund Index Securities with a Minimum Amount and a Cap. Upon the occurrence of a Conversion Event, the Fund Index Securities will be redeemed on the Maturity Date at the Settlement Amount. Fund Index Securities always provide for Cash Settlement at the end of the term.

Fund Index Securities may be issued as non-Quanto or Quanto Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities.

### ***Interest***

The Securities do not bear interest.

### ***Redemption***

#### ***Fund Index Securities with a Minimum Amount***

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor multiplied by
  - (b) the Performance of the Underlying minus the Strike.

However, the Redemption Amount shall not be less than the Minimum Amount.

The Securities shall be deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

#### ***Fund Index Securities with a Minimum Amount and a Cap***

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount shall be equal to the Nominal Amount multiplied by the Participation Factor and multiplied by the Performance of the Underlying. However, the Redemption Amount will not be less than the Minimum Amount and not greater than the Maximum Amount.

The Securities shall be deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

## ***Some Definitions***

### *Conversion Event*

Conversion Event means any of the following events:

- (a) a Fund Conversion Event;
- (b) an Index Conversion Event;
- (c) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging.

### *Settlement Amount*

For the purpose of determining the Settlement Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten banking days following the occurrence of the Conversion Event, adding accrued interest for the period from the occurrence of the Conversion Event to the Maturity Date on the basis of the market rate of interest traded at the time with reference to liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount.

### *Maximum Amount*

The Maximum Amount is the amount specified in the "Maximum Amount" column in § 1 of the Product and Underlying Data.

### *Minimum Amount*

The Minimum Amount is the amount specified in the "Minimum Amount" column in § 1 of the Product and Underlying Data.

### *Performance of the Underlying*

Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.

### *Fund Conversion Event*

A Fund Conversion Event exists if, following the occurrence of an Adjustment Event, an adjustment pursuant to § 8 (2) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders.

### *Index Conversion Event*

Index Conversion Event means any of the following events:

- (a) where following the occurrence of an Index Replacement Event, an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) following the occurrence of an Index Replacement Event, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent and no suitable Replacement Underlying is available;
- (c) if the Index Sponsor or the Index Calculation Agent no longer performs its function, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no suitable replacement for the Index Sponsor and/or the Index Calculation Agent is available and
- (d) the calculation or publication of the Underlying is no longer available in the Underlying Currency.

## OPTION 3: FUND REVERSE CONVERTIBLE SECURITIES

### *General*

Fund Reverse Convertible Securities are Securities where the redemption on the Maturity Date is based on R (final). The Fund Reverse Convertible Securities may be redeemed early if a Call Event occurs. The Fund Reverse Convertible Securities may provide the investor at the end of the term with a cash payment ("**Cash Settlement**") or a delivery of Fund Shares ("**Physical Settlement**"). In the case of Fund Reverse Convertible Securities without Physical Settlement, settlement at the end of the term always takes the form of Cash Settlement, in that the Securities are redeemed at the Redemption Amount. Upon the occurrence of a Call Event the Issuer may call the Securities and redeem them at their Cancellation Amount.

Fund Reverse Convertible Securities may be issued as non-Quanto, Quanto or Compo Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities. Compo means that the Underlying is traded in a currency other than the Specified Currency. In the case of Fund Reverse Convertible Compo Securities, the Redemption Amount is converted into the Specified Currency before payment is made using the exchange rate (FX). The Security Holder consequently bears the full exchange rate risk at maturity and – if the Securities are sold early – during the term.

### *Interest payment*

Fund Reverse Convertible Securities bear interest on their Aggregate Nominal Amount or their Nominal Amount for one or more Interest Periods at the Interest Rate. The respective Interest Amount payable is calculated by multiplying the product of the Interest Rate and the Aggregate Nominal Amount or the Nominal Amount by the Day Count Fraction. Interest Amount falls due for payment on the relevant Interest Payment Date.

The Interest Rate is determined in the following manner:

#### *Fixed-rate Fund Reverse Convertible Securities*

In the case of fixed-rate Securities, the Interest Rate is a fixed percentage specified in the Final Terms.

#### *Step-up Fund Reverse Convertibles Securities*

In the case of step-up Securities, particular Interest Rates are specified in the Final Terms as fixed percentages for particular Interest Periods. This means that each Interest Period has its own specified Interest Rate, and the Interest Rate for an Interest Period may be greater than, less than or the same as the preceding Interest Rate.

#### *Floating-rate Fund Reverse Convertible Securities*

In the case of floating-rate Securities, the Interest Rate is the Reference Rate for the Designated Maturity as displayed on the Screen Page on the corresponding Interest Determination Date.

In the case of Securities with a Maximum Interest Rate the following rule applies: if the Interest Rate determined for an Interest Period is greater than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. In the case of Securities with a Minimum Interest Rate the following rule applies: if the Interest Rate determined for an Interest Period is less than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.

#### *Floating-rate Fund Reverse Convertible Securities plus the Positive Spread*

In the case of floating-rate Securities plus the Positive Spread, the Interest Rate is the Reference Rate for the Designated Maturity as displayed on the Screen Page on the corresponding Interest Determination Date, plus the Positive Spread.

In the case of Securities with a Maximum Interest Rate the following rule applies: if the Interest Rate determined for an Interest Period is greater than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. In the case of Securities with a Minimum Interest Rate the following rule applies: if the Interest Rate determined for an Interest Period is less than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.

#### *Floating-rate Fund Reverse Convertible Securities minus the Negative Spread*

In the case of floating-rate Securities minus the Negative Spread, the Interest Rate is the Reference Rate for the Designated Maturity as displayed on the Screen Page on the corresponding Interest Determination Date, minus the Negative Spread.

In the case of Securities with a Maximum Interest Rate the following rule applies: if the Interest Rate determined for an Interest Period is greater than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate. In the case of Securities with a Minimum Interest Rate the following rule applies: if the Interest Rate determined for an Interest Period is less than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.

### **Redemption**

#### *Fund Reverse Convertible Securities with Cash Settlement*

The Securities are redeemed on the Maturity Date at the Redemption Amount. If R (final) is equal to or greater than the Strike, then the Redemption Amount is equal to the Nominal Amount. If R (final) is less than the Strike, then the Redemption Amount is equal to the Nominal Amount multiplied by R (final) and divided by the Strike.

The Securities are deemed automatically exercised on the Exercise Date.

#### *Fund Reverse Convertible Securities that provide for Physical Settlement in certain circumstances*

If R (final) is equal to or greater than the Strike, then the Securities are redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount is equal to the Nominal Amount. If R (final) is less than the Strike, then the Securities are redeemed by delivery of Fund Shares (Underlying) in accordance with the Ratio and, where applicable, by payment of the Supplemental Cash Amount.

The Securities are deemed automatically exercised on the Exercise Date.

### **Issuer's extraordinary call right**

Upon the occurrence of a Call Event the Issuer may call the Securities and redeem them at their Cancellation Amount. The Cancellation Amount is the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion. In the case of Quanto Securities with Cash Settlement and non-Quanto Securities, a Call Event means each Fund Call Event, while in the case of Quanto Securities with Physical Settlement of Underlyings, a Call Event means each Fund Call Event or FX Call Event.

### **Definitions**

#### *Strike*

The Strike is specified in § 1 of the Product and Underlying Data. Otherwise the Strike is equal to the Strike Level multiplied by R (initial).

#### *Fund Call Event*

A Fund Call Event means any of the following events:

- (a) where following the occurrence of an Adjustment Event, an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;

- (b) if the Management Company no longer performs its function, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent and no Replacement Management Company is available;
- (c) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging.

*FX Call Event*

An FX Call Event means each of the following events:

- (a) if the FX Fixing Sponsor no longer performs its function or if the FX ceases to be specified and published, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no suitable New FX Fixing Sponsor (as defined in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as defined in § 9 (2) of the Special Conditions) is available;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, acts of terrorism, insurgency, restrictions on payment transactions, entry of the country whose currency is used into the European Economic and Monetary Union, withdrawal of that country from the European Economic and Monetary Union and other circumstances having a comparable impact on the FX) the reliable determination of the FX is impossible or impracticable.

*Cancellation Amount*

The Cancellation Amount is the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) within ten Banking Days before the extraordinary call becomes effective.

**OPTION 4: SPRINT SECURITIES**

*General*

Sprint Securities are Securities where the redemption payment on the Maturity Date depends on R (final). Under this Base Prospectus, Sprint Securities will be issued in the form of Sprint Securities and Sprint Cap Securities. If R (final) is greater than the Strike, the Security Holder participates in the Performance of the Underlying in relation to the Strike Level in accordance with the Participation Factor. Otherwise, the Security Holder participates in the positive or negative Performance of the Underlying on a 1:1 basis. Sprint Securities always provide for Cash Settlement at the end of the term.

Sprint Securities may be issued as non-Quanto, Quanto or Compo Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities. Compo means that the Underlying is traded in a currency other than the Specified Currency. In the case of Sprint Compo Securities, the Redemption Amount is converted into the Specified Currency before payment is made using the exchange rate (FX). The Security Holder consequently bears the full exchange rate risk at maturity and - if the Securities are sold early - during the term.

*Interest*

The Securities do not bear interest.

*Redemption*

*Sprint Securities*

If no Call Event has occurred, the Securities are redeemed on the Maturity Date at the Redemption Amount. If R (final) is greater than the Strike, the Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Strike Level plus
  - (a) the Participation Factor multiplied by
  - (b) the Performance of the Underlying minus the Strike Level.

If R (final) is equal to or less than the Strike, the Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Performance of the Underlying.

The Securities are deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Call Event the Issuer may call and redeem the Securities early at their Cancellation Amount.

#### *Sprint Cap Securities*

If no Call Event has occurred, the Securities are redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. If R (final) is greater than the Strike, the Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Strike Level plus
  - (a) the Participation Factor multiplied by
  - (b) the Performance of the Underlying minus the Strike Level.

If R (final) is equal to or less than the Strike, the Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Performance of the Underlying.

The Redemption Amount shall in no event be greater than the Maximum Amount.

The Securities are deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Call Event, the Securities will be redeemed on the Maturity Date at the Cancellation Amount.

#### ***Definitions***

##### *Cancellation Amount*

For the purpose of determining the Cancellation Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten Banking Days following the occurrence of the Call Event.

##### *Strike*

If a price or value is specified in the "Strike" in § 1 of the Product and Underlying Data, that price or value is the Strike. Otherwise, the Strike is equal to the Strike Level multiplied by R (initial).

##### *Maximum Amount*

The Maximum Amount means the Nominal Amount multiplied by the Cap Level.

##### *FX Call Event*

FX Call Event means any of the following events:

- (a) where in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no suitable New FX Fixing Sponsor (as defined in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as defined in § 9 (2) of the Special Conditions) is available;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, acts of terrorism, insurgency, restrictions on payment transactions, entry of the country whose currency is used into the European Economic and Monetary Union, withdrawal of that country from the European Economic and Monetary Union and other circumstances having a comparable impact on the FX) the reliable determination of the FX is impossible or impracticable.

### *Call Event*

In the case of Quanto and non-Quanto Securities, each Fund Call Event is a Call Event. In the case of Compo Securities, each Fund Call Event and FX Call Event is a Call Event.

### *Performance of the Underlying*

Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.

### *Strike Level*

Strike Level means the value specified in § 1 of the Product and Underlying Data.

### *Fund Call Event*

Fund Call Event means any of the following events:

- (a) where an adjustment pursuant to § 8 (1) of the Special Conditions required as a result of the occurrence of an Adjustment Event is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) if the Management Company no longer performs its function, and in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no Replacement Management Company is available;
- (c) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

## **OPTION 5: GARANT BASKET SECURITIES**

### ***General***

Garant Basket Securities are Securities where the redemption payment on the Maturity Date depends on the Performance of a basket as the Underlying, which consists of several Basket Components. Under this Base Prospectus, Garant Basket Securities will be issued in the form of Garant Basket Securities and Garant Cap Basket Securities. The Performance of the Underlying (Basket) is equal to the average Performance of the Basket Components, which are taken into account according to their Weighting. The Security Holder participates in the Performance of the Underlying in accordance with the Participation Factor, benefiting from rising Performance of the Underlying in relation to the Strike. The Security Holder receives at least the specified minimum redemption payment. The Redemption Amount may be less than the Nominal Amount. In addition, in the case of *Garant Cap Basket Securities*, the Redemption Amount shall not be greater than the Maximum Amount.

### ***Interest***

The Securities do not bear interest.

### ***Redemption***

#### ***Garant Basket Securities***

If no Conversion Event has occurred, the Securities are redeemed on the Maturity Date at the Redemption Amount. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor multiplied by
  - (b) the Performance of the Underlying minus the Strike.

The Redemption Amount is not less than the Minimum Amount.

The Securities are deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

### *Garant Cap Basket Securities*

If no Conversion Event has occurred, the Securities are redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor multiplied by
  - (b) the Performance of the Underlying minus the Strike.

The Redemption Amount is not less than the Minimum Amount or greater than the Maximum Amount.

The Securities are deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

### ***Definitions***

#### *Settlement Amount*

For the purpose of determining the Settlement Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event.

#### *Strike*

The Strike means the price or value specified in § 1 of the Product and Underlying Data.

#### *Floor Level*

The Floor Level means the value specified in § 1 of the Product and Underlying Data.

#### *Fund Conversion Event*

Fund Conversion Event means any of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions which is required as a result of the occurrence of an Adjustment Event is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) following the occurrence of a Fund Replacement Event, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no Replacement Basket Component is available;
- (c) if the Management Company no longer performs its function, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent and no Replacement Management Company is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

#### *Maximum Amount*

The Maximum Amount means the value specified in § 1 of the Product and Underlying Data.

#### *Performance of the Underlying*

The Performance of the Underlying means the average Performance of the respective Basket Components, taken into account according to their Weighting.

The Performance of the respective Basket Component<sub>i</sub> is equal to K<sub>i</sub> (final) divided by K<sub>i</sub> (initial).

#### *Minimum Amount*

The Minimum Amount means the amount specified in the "Minimum Amount" column in § 1 of the Product and Underlying Data.

### *Conversion Event*

Conversion Event means a Fund Conversion Event.

## **OPTION 6: GARANT RAINBOW SECURITIES**

### ***General***

Garant Rainbow Securities are Securities where the redemption payment on the Maturity Date depends on the Performance of a basket as Underlying which consists of several Basket Components. Under this Base Prospectus, Garant Rainbow Securities will be issued in the form of Garant Rainbow Securities and Garant Cap Rainbow Securities. The Performance of the Underlying (basket) is equal to the average Performance of the Basket Components, which are taken into account according to a Weighting that depends on their respective Performance. The Security Holder participates in the Performance of the Underlying in accordance with the Participation Factor, benefiting from rising Performance of the Underlying in relation to the Strike. The Weighting of each Basket Component depends on its Performance: The Basket Component with the best Performance is given the highest Weighting, the Basket Component with the second-best Performance is given the second-highest Weighting, and so on. The Security Holder receives at least the specified minimum redemption payment. The Redemption Amount may be less than the Nominal Amount. In addition, in the case of *Garant Cap Rainbow Securities*, the Redemption Amount shall not be greater than the Maximum Amount.

### ***Interest***

The Securities do not bear interest.

### ***Redemption***

#### *Garant Rainbow Securities*

If no Conversion Event has occurred, the Securities are redeemed on the Maturity Date at the Redemption Amount. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor multiplied by
  - (b) the Performance of the Underlying minus the Strike.

The Redemption Amount will be not less than the Minimum Amount.

The Securities are deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

#### *Garant Cap Rainbow Securities*

If no Conversion Event has occurred, the Securities are redeemed on the Maturity Date at the Redemption Amount. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor multiplied by
  - (b) the Performance of the Underlying minus the Strike.

The Redemption Amount is not less than the Minimum Amount or greater than the Maximum Amount.

The Securities are deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

## ***Definitions***

### *Settlement Amount*

For the purpose of determining the Settlement Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event.

### *Strike*

The Strike means the price or value specified in § 1 of the Product and Underlying Data.

### *Floor Level*

The Floor Level means the value specified in § 1 of the Product and Underlying Data.

### *Fund Conversion Event*

Fund Conversion Event means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions required as a result of the occurrence of an Adjustment Event is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) following the occurrence of a Fund Replacement Event, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no Replacement Basket Component is available;
- (c) if the Management Company no longer performs its function, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no Replacement Management Company is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

### *Maximum Amount*

The Maximum Amount means the value specified in § 1 of the Product and Underlying Data.

### *Performance of the Underlying*

The Performance of the Underlying means the average Performance of the respective Basket Components<sub>i best</sub>.

The Performance of the respective Basket Component<sub>i best</sub> is equal to  $K_{i best}$  (final) divided by  $K_{i best}$  (initial).

The Performance of Basket Component<sub>i best</sub> (i=1) with the best Performance is multiplied by the highest Weighting<sub>i best</sub> (i=1), the Performance of Basket Component<sub>i best</sub> (i=2) with the second best Performance is multiplied by the second highest Weighting<sub>i best</sub> (i=2), etc.

### *Minimum Amount*

The Minimum Amount means the amount specified in the "Minimum Amount" column in § 1 of the Product and Underlying Data.

### *Conversion Event*

Conversion Event means a Fund Conversion Event.

## **OPTION 7: FUND INDEX PERFORMANCE TELESCOPE SECURITIES**

### ***General***

Fund Index Performance Telescope Securities are Securities where the redemption on the Maturity Date is based on the Performance of the Underlying. Under this Base Prospectus, Telescope Securities will be issued in the form of Fund Index Performance Telescope Securities and Fund Index Performance Telescope Cap Securities. Fund Index Performance Telescope Securities always provide for

Cash Settlement at the end of the term. The Security Holder receives at least one specified minimum redemption payment. The amount of this payment may be less than the Nominal Amount. In the case of Fund Index Performance Telescope Cap Securities the Redemption Amount will not be greater than the Maximum Amount.

Furthermore, on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the respective Performance of the Underlying (k), taking into account the Participation Factor and the respective D (k). In the case of Securities with a conditional Additional Amount the payment of the Additional Amount (k) will be effected only upon occurrence of an Income Payment Event on the Observation Date (k).

Fund Index Performance Telescope Securities may be issued as non-Quanto or Quanto Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

If an Income Payment Event occurs in respect of *Securities with a conditional Additional Amount* on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).

In the case of *Securities with an unconditional Additional Amount* the Additional Amount will be paid on the respective Additional Amount Payment Date (k) irrespective of the occurrence of an Income Payment Event.

An Income Payment Event means that  $R(k)$ , as determined on the respective Observation Date (k), is greater than the Strike.

$R(k)$  means the Reference Price on the respective Observation Date (k).

The Strike is specified in the respective Final Terms.

The Additional Amount (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the Performance of the Underlying (k).

In the case of *Securities with an unconditional Additional Amount*, however, the Additional Amount (k) is not less than the respective Minimum Additional Amount (k).

The Performance of the Underlying (k) is equal to the difference between (i) the quotient of  $R(k)$ , as the numerator, and  $R(\text{initial})$ , as the denominator, and (ii) the Strike Level, divided by  $D(k)$ .

In the case of Securities with a Maximum Additional Amount (k) the respective Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).

The respective  $R(\text{initial})$ , the Strike Level,  $D(k)$ , the Participation Factor and, if applicable, the Maximum Additional Amount (k) and the Minimum Additional Amount (k) are specified in the respective Final Terms.

## ***Redemption***

### *Fund Index Performance Telescope Securities with a Minimum Amount*

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor (final) multiplied by
  - (b) the Performance of the Underlying minus the Final Strike Level.

However, the Redemption Amount shall not be less than the Minimum Amount.

Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.

The Final Strike Level, the Floor Level, the Participation Factor (final) and the Minimum Amount will be specified in the respective Final Terms.

The Securities shall be deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

### *Fund Index Performance Telescope Securities with a Minimum Amount and a Cap*

is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor (final) multiplied by
  - (b) the Performance of the Underlying minus the Final Strike Level.

However, the Redemption Amount will not be less than the Minimum Amount and not greater than the Maximum Amount.

Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.

The Final Strike Level, the Floor Level, the Participation Factor (final), the Minimum Amount and the Maximum Amount will be specified in the respective Final Terms.

The Securities shall be deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

### *Conversion Event*

Conversion Event means any of the following events:

- (a) a Fund Conversion Event;
- (b) an Index Conversion Event;
- (c) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging.

### *Settlement Amount*

For the purpose of determining the Settlement Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten banking days following the occurrence of the Conversion Event, adding accrued interest for the period from the occurrence of the Conversion Event to the Maturity Date on the basis of the market rate of interest traded at the time with reference to liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount.

### *Fund Conversion Event*

A Fund Conversion Event exists if, following the occurrence of an Adjustment Event, an adjustment pursuant to § 8 (2) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders.

### *Index Conversion Event*

Index Conversion Event means any of the following events:

- (a) where following the occurrence of an Index Replacement Event, an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) following the occurrence of an Index Replacement Event, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no suitable Replacement Underlying is available;
- (c) if the Index Sponsor or the Index Calculation Agent no longer performs its function, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no suitable replacement for the Index Sponsor and/or the Index Calculation Agent is available and
- (d) the calculation or publication of the Underlying is no longer available in the Underlying Currency.

## **OPTION 8: GARANT PERFORMANCE TELESCOPE SECURITIES**

### ***General***

Garant Performance Telescope Securities are Securities where the redemption on the Maturity Date is based on the Performance of the Underlying. Under this Base Prospectus, Telescope Securities will be issued in the form of Garant Performance Telescope Securities and Garant Performance Telescope Cap Securities. Garant Performance Telescope Securities always provide for Cash Settlement at the end of the term. The Security Holder receives at least a specified minimum redemption payment. The amount of this payment may be less than the Nominal Amount. In the case of Garant Performance Telescope Cap Securities the Redemption Amount will be not greater than the Maximum Amount.

Furthermore, on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the respective Performance of the Underlying (k), taking into account the Participation Factor and the respective D (k). In the case of Securities with a conditional Additional Amount the payment of the Additional Amount (k) will be effected only upon occurrence of an Income Payment Event on the Observation Date (k).

Garant Performance Telescope Securities may be issued as non-Quanto or Quanto Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities.

## ***Interest***

The Securities do not bear interest.

## ***Additional Amount***

If an Income Payment Event occurs in respect of Securities with a conditional Additional Amount on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).

In the case of *Securities with an unconditional Additional Amount* the Additional Amount will be paid on the respective Additional Amount Payment Date (k) irrespective of the occurrence of an Income Payment Event.

An Income Payment Event means that R (k), as determined on the respective Observation Date (k), is greater than the Strike.

R (k) means the Reference Price on the respective Observation Date (k).

The Strike is specified in the respective Final Terms.

The Additional Amount (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the Performance of the Underlying (k).

In the case of *Securities with an unconditional Additional Amount*, however, the Additional Amount (k) is not less than the respective Minimum Additional Amount (k).

The Performance of the Underlying (k) is equal to the difference between (i) the quotient of R (k), as the numerator, and R (initial), as the denominator, and (ii) the Strike Level, divided by D (k).

In the case of Securities with a Maximum Additional Amount (k) the respective Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).

The respective R (initial), the Strike Level, D (k), the Participation Factor and, if applicable, the Maximum Additional Amount (k) and the Minimum Additional Amount (k) are specified in the respective Final Terms.

## ***Redemption***

### ***Garant Performance Telescope Securities with a Minimum Amount***

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor (final) multiplied by
  - (b) the Performance of the Underlying minus the Final Strike Level.

However, the Redemption Amount shall not be less than the Minimum Amount.

Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.

The Final Strike Level, the Floor Level, the Participation Factor (final) and the Minimum Amount will be specified in the respective Final Terms.

The Securities shall be deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

*Garant Performance Telescope Securities with a Minimum Amount and a Cap*

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor (final) multiplied by
  - (b) the Performance of the Underlying minus the Final Strike Level.

However, the Redemption Amount will not be less than the Minimum Amount and not greater than the Maximum Amount.

Performance of the Underlying means the quotient of R (final), as the numerator, and R (initial), as the denominator.

The Final Strike Level, the Floor Level, the Participation Factor (final) and the Minimum Amount will be specified in the respective Final Terms.

The Maximum Amount or the method for calculating the Maximum Amount will be defined in the applicable Final Terms.

The Securities shall be deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

*Conversion Event*

Conversion Event means Fund Conversion Event.

*Settlement Amount*

For the purpose of determining the Settlement Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten banking days following the occurrence of the Conversion Event, adding accrued interest for the period from the occurrence of the Conversion Event to the Maturity Date on the basis of the market rate of interest traded at the time with reference to liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount.

*Fund Conversion Event*

Fund Conversion Event means any of the following events:

- (a) where an adjustment pursuant to § 8 (1) of the Special Conditions required as a result of the occurrence of an Adjustment Event is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) following the occurrence of a Fund Replacement Event, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent and no Replacement Underlying is available;
- (c) if the Management Company no longer performs its function, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent and no replacement Management Company is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

A Fund Conversion Event exists if, following the occurrence of an Adjustment Event, an adjustment pursuant to § 8 (2) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders.

## **OPTION 9: GARANT PERFORMANCE TELESCOPE BASKET SECURITIES**

### ***General***

Garant Performance Telescope Basket Securities are Securities where the redemption on the Maturity Date is based on the Performance of the Underlying. The Underlying is a basket consisting of a number of Basket Components. Under this Base Prospectus, Garant Performance Telescope Basket Securities will be issued in the form of Garant Performance Telescope Basket Securities and Garant Performance Telescope Cap Basket Securities. The Performance of the Underlying (basket) is equal to the average Performance of the Basket Components, which are taken into account according to their respective weighting. The Security Holder participates in the Performance of the Underlying in accordance with the Participation Factor (final), benefiting from rising Performance of the Underlying in relation to the Final Strike Level. The Security Holder receives at least a specified minimum redemption payment. The amount of this payment may be less than the Nominal Amount. In the case of Garant Performance Telescope Cap Basket Securities the Redemption Amount will be not greater than the Maximum Amount.

Furthermore, on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the respective Performance of the Underlying (k), taking into account the Participation Factor and the respective D (k). In the case of Securities with a conditional Additional Amount the payment of the Additional Amount (k) will be effected only upon occurrence of an Income Payment Event on the Observation Date (k).

Garant Performance Telescope Basket Securities may be issued as non-Quanto or Quanto Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

If an Income Payment Event occurs in respect of *Securities with a conditional Additional Amount* on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).

In the case of *Securities with an unconditional Additional Amount* the Additional Amount will be paid on the respective Additional Amount Payment Date (k) irrespective of the occurrence of an Income Payment Event.

An Income Payment Event means that the Performance of the Underlying (k) is greater than the Strike.

The Performance of the Underlying (k) is the average Performance of the relevant Basket Components<sub>i</sub> on the relevant Observation Date (k), which are taken into account according to their Weighting<sub>i</sub>.

The Performance of the relevant Basket Component<sub>i</sub> on the relevant Observation Date (k) is equal to  $K_i(k)$  divided by  $K_i(\text{initial})$ .

$K_i(k)$  means the Reference Price of the Basket Component<sub>i</sub> on the respective Observation Date (k).

The Strike is specified in the respective Final Terms.

The Additional Amount (k) is equal to the Nominal Amount multiplied by (i) the difference between the Performance of the Underlying (k) and the Strike, (ii) the Participation Factor and (iii) 1/D (k).

In the case of *Securities with an unconditional Additional Amount*, however, the Additional Amount (k) is not less than the respective Minimum Additional Amount (k).

In the case of *Securities with a Maximum Additional Amount (k)* the respective Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).

The respective R (initial), the Strike, D (k), the Participation Factor and, if applicable, the Maximum Additional Amount (k) and the Minimum Additional Amount (k) are specified in the respective Final Terms.

### ***Redemption***

#### *Garant Performance Telescope Basket Securities*

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor (final) multiplied by
  - (b) the Performance of the Underlying minus the Final Strike Level.

The Redemption Amount shall not be less than the Minimum Amount.

The Performance of the Underlying means the average Performance of the relevant Basket Components<sub>i</sub> on the Final Observation Date, which are taken into account according to their Weighting<sub>i</sub>.

The Performance of the relevant Basket Component<sub>i</sub> is equal to  $K_i(\text{final})$  divided by  $K_i(\text{initial})$ .

$K_i(\text{final})$  means the Reference Price of the Basket Component<sub>i</sub> on the Final Observation Date.

The Final Strike Level, the Floor Level, the Participation Factor (final) and the Minimum Amount will be specified in the respective Final Terms.

The Securities shall be deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

#### *Garant Performance Telescope Cap Basket Securities*

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount following automatic exercise on the Exercise Date. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor (final) multiplied by
  - (b) the Performance of the Underlying minus the Final Strike Level.

The Redemption Amount will not be less than the Minimum Amount and not greater than the Maximum Amount.

Performance of the Underlying means the average Performance of the relevant Basket Components<sub>i</sub> on the Final Observation Date, which are taken into account according to their Weighting<sub>i</sub>.

The Performance of the relevant Basket Component<sub>i</sub> is equal to  $K_i$  (final) divided by  $K_i$  (initial).

$K_i$  (final) means the Reference Price of the Basket Component<sub>i</sub> on the Final Observation Date.

The Final Strike Level, the Floor Level, the Participation Factor (final), the Minimum Amount and the Maximum Amount will be specified in the respective Final Terms.

The Securities shall be deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

#### *Conversion Event*

Each Fund Conversion Event is a Conversion Event.

#### *Settlement Amount*

For the purpose of determining the Settlement Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten banking days following the occurrence of the Conversion Event, adding accrued interest for the period from the occurrence of the Conversion Event to the Maturity Date on the basis of the market rate of interest traded at the time with reference to liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount.

#### *Fund Conversion Event*

A Fund Conversion Event means any of the following events:

- (a) where an adjustment pursuant to § 8 (1) of the Special Conditions required as a result of the occurrence of an Adjustment Event is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) following the occurrence of a Fund Replacement Event, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent and no Replacement Basket Component is available;
- (c) if the Management Company no longer performs its function, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no Replacement Management Company is available and
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

## **OPTION 10: FUND INDEX TELESCOPE SECURITIES**

### ***General***

Fund Index Telescope Securities are Securities where the Redemption Amount on the Maturity Date is equal to the Minimum Amount. The amount of this payment may be less than the Nominal Amount. Furthermore, on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the respective Performance of the Underlying (k), taking into account the Participation Factor and the respective D (k). In the case of Securities with a conditional Additional Amount the payment of the Additional Amount (k) will be effected only upon occurrence of an Income Payment Event on the Observation Date (k).

Upon the occurrence of a Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount. The Settlement Amount is specified in the respective Final Terms.

Fund Index Telescope Securities may be issued as non-Quanto or Quanto Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

If an Income Payment Event occurs in respect of *Securities with a conditional Additional Amount* on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).

In the case of *Securities with an unconditional Additional Amount* the Additional Amount will be paid on the respective Additional Amount Payment Date (k) irrespective of the occurrence of an Income Payment Event.

An Income Payment Event means that R (k), as determined on the respective Observation Date (k), is greater than the Strike.

R (k) means the Reference Price on the respective Observation Date (k).

The Strike is specified in the respective Final Terms.

The Additional Amount (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the Performance of the Underlying (k).

In the case of *Securities with an unconditional Additional Amount*, however, the Additional Amount (k) is not less than the respective Minimum Additional Amount (k).

The Performance of the Underlying (k) is equal to the difference between (i) the quotient of R (k), as the numerator, and R (initial), as the denominator, and (ii) the Strike Level, divided by D (k).

In the case of Securities with a Maximum Additional Amount (k) the respective Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).

The respective R (initial), the Strike Level, D (k), the Participation Factor and, if applicable, the Maximum Additional Amount (k) and the Minimum Additional Amount (k) are specified in the respective Final Terms.

### ***Redemption***

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount which equals the Minimum Amount.

Upon the occurrence of a Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

Conversion Event means any of the following events:

- (d) a Fund Conversion Event;
- (e) an Index Conversion Event;
- (f) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging.

For the purpose of determining the Settlement Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten banking days following the occurrence of the Conversion Event, adding accrued interest for the period from the occurrence of the Conversion Event to the Maturity Date on the basis of the market rate of interest traded at the time with reference to liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount.

The Minimum Amount is specified in the respective Final Terms.

## **OPTION 11: FUND INDEX GEOSCOPE SECURITIES**

### ***General***

Fund Index Geoscope Securities are Securities where the Redemption Amount on the Maturity Date is equal to the Minimum Amount. The amount of this payment may be less than the Nominal Amount. Furthermore, on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the respective Geometric Average Performance of the Underlying (k), taking into account the Participation Factor. In the case of Securities with a conditional Additional Amount the payment of the Additional Amount (k) will be effected only upon occurrence of an Income Payment Event on the Observation Date (k).

Upon the occurrence of a Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount. The Settlement Amount is specified in the respective Final Terms.

Fund Index Geoscope Securities may be issued as non-Quanto or Quanto Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

If an Income Payment Event occurs in respect of *Securities with a conditional Additional Amount* on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).

In the case of *Securities with an unconditional Additional Amount* the Additional Amount will be paid on the respective Additional Amount Payment Date (k) irrespective of the occurrence of an Income Payment Event.

An Income Payment Event means that the Geometric Average Performance of the Underlying (k) is greater than the Strike Level.

The Geometric Average Performance of the Underlying (k) is the  $n^{\text{th}}$  (when “n” depends on the respective D (k)) root of the Performance of the Underlying (k), where the Performance of the Underlying (k) is the quotient between of R (k), as the numerator, and R (initial), as the denominator. R (k) means the Reference Price on the respective Observation Date (k).

The Strike Level is specified in the respective Final Terms.

The Additional Amount (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the difference between the Geometric Average Performance of the Underlying (k) and the Strike Level.

In the case of *Securities with an unconditional Additional Amount*, however, the Additional Amount (k) is not less than the respective Minimum Additional Amount (k).

In the case of Securities with a Maximum Additional Amount (k) the respective Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).

The respective R (initial), the Strike Level, D (k), the Participation Factor and, if applicable, the Maximum Additional Amount (k) and the Minimum Additional Amount (k) are specified in the respective Final Terms.

### ***Redemption***

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount which equals the Minimum Amount.

Upon the occurrence of a Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

The Minimum Amount is specified in the respective Final Terms.

## **OPTION 12: GARANT TELESCOPE SECURITIES**

### ***General***

Garant Telescope Securities are Securities where the Redemption Amount on the Maturity Date is equal to the Minimum Amount. The amount of this payment may be less than the Nominal Amount. Furthermore, on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the respective Performance of the Underlying (k), taking into account the Participation Factor and the respective D (k). In the case of Securities with a conditional

Additional Amount the payment of the Additional Amount (k) will be effected only upon occurrence of an Income Payment Event on the Observation Date (k).

Upon the occurrence of a Fund Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount. The Settlement Amount is specified in the respective Final Terms.

Garant Telescope Securities may be issued as non-Quanto or Quanto Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

If an Income Payment Event occurs in respect of Securities with a conditional Additional Amount on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).

In the case of *Securities with an unconditional Additional Amount* the Additional Amount will be paid on the respective Additional Amount Payment Date (k) irrespective of the occurrence of an Income Payment Event.

An Income Payment Event means that R (k), as determined on the respective Observation Date (k), is greater than the Strike.

R (k) means the Reference Price on the respective Observation Date (k).

The Strike is specified in the respective Final Terms.

The Additional Amount (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the Performance of the Underlying (k).

In the case of *Securities with an unconditional Additional Amount*, however, the Additional Amount (k) is not less than the respective Minimum Additional Amount (k).

The Performance of the Underlying (k) is equal to the difference between (i) the quotient of R (k), as the numerator, and R (initial), as the denominator, and (ii) the Strike Level, divided by D (k).

In the case of Securities with a Maximum Additional Amount (k) the respective Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).

The respective R (initial), the Strike Level, D (k), the Participation Factor and, if applicable, the Maximum Additional Amount (k) and the Minimum Additional Amount (k) are specified in the respective Final Terms.

### ***Redemption***

If no Fund Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount which equals the Minimum Amount.

Upon the occurrence of a Fund Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

Fund Conversion Event means any of the following events:

- (a) where an adjustment pursuant to § 8 (1) of the Special Conditions required as a result of the occurrence of an Adjustment Event is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) following the occurrence of a Fund Replacement Event, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent and no Replacement Underlying is available;
- (c) if the Management Company no longer performs its function, in the reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB) of the Calculation Agent no Replacement Management Company is available and
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

For the purpose of determining the Settlement Amount, the Calculation Agent will, in its reasonable discretion (in the case of Securities governed by German law pursuant to § 315 BGB), determine the market value of the Securities within ten banking days following the occurrence of the Conversion Event, adding accrued interest for the period from the occurrence of the Conversion Event to the Maturity Date on the basis of the market rate of interest traded at the time with reference to liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount.

The Minimum Amount is specified in the respective Final Terms.

## **OPTION 13: GARANT GEOSCOPE SECURITIES**

### ***General***

Garant Geoscope Securities are Securities where the Redemption Amount on the Maturity Date is equal to the Minimum Amount. The amount of this payment may be less than the Nominal Amount. Furthermore, on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the respective Geometric Average Performance of the Underlying (k), taking into account the Participation Factor. In the case of Securities with a conditional Additional Amount the payment of the Additional Amount (k) will be effected only upon occurrence of an Income Payment Event on the Observation Date (k).

Upon the occurrence of a Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount. The Settlement Amount is specified in the respective Final Terms.

Garant Geoscope Securities may be issued as non-Quanto or Quanto Securities. Non-Quanto means that the Underlying is traded in the Specified Currency and that the Securities are therefore not subject to the influence of exchange rate movements. Quanto means that although the Underlying is traded in a currency other than the Specified Currency, exchange rate movements are not taken into account for the Securities.

### ***Interest***

The Securities do not bear interest.

### ***Additional Amount***

If an Income Payment Event occurs in respect of *Securities with a conditional Additional Amount* on an Observation Date (k), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).

In the case of *Securities with an unconditional Additional Amount* the Additional Amount will be paid on the respective Additional Amount Payment Date (k) irrespective of the occurrence of an Income Payment Event.

An Income Payment Event means that the Geometric Average Performance of the Underlying (k) is greater than the Strike Level.

The Geometric Average Performance of the Underlying (k) is the  $n^{\text{th}}$  (when “n” depends on the respective D (k)) root of the Performance of the Underlying (k), where the Performance of the Underlying (k) is the quotient between of R (k), as the numerator, and R (initial), as the denominator. R (k) means the Reference Price on the respective Observation Date (k).

The Strike Level is specified in the respective Final Terms.

The Additional Amount (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the difference between the Geometric Average Performance of the Underlying (k) and the Strike Level.

In the case of *Securities with an unconditional Additional Amount*, however, the Additional Amount (k) is not less than the respective Minimum Additional Amount (k).

In the case of Securities with a Maximum Additional Amount (k) the respective Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).

The respective R (initial), the Strike Level, D (k), the Participation Factor and, if applicable, the Maximum Additional Amount (k) and the Minimum Additional Amount (k) are specified in the respective Final Terms.

### ***Redemption***

If no Conversion Event has occurred, the Securities will be redeemed on the Maturity Date at the Redemption Amount which equals the Minimum Amount.

Upon the occurrence of a Conversion Event, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

The Minimum Amount is specified in the respective Final Terms.

## **OPTION 14: SECURITIES LINKED TO TARGET VOL STRATEGIES**

### ***General***

The value of the Securities during their term depends decisively on the Level of the Target Vol Strategy. If the Level of the Target Vol Strategy rises, the value of the Securities regularly rises. If the Level of the Target Vol Strategy falls, the value of the Securities regularly falls.

Redemption on the Maturity Date depends on the performance of the Level of the Target Vol Strategy, which is linked to the performance of the Underlying and the Reference Rate under consideration of a Dynamic Weighting. The Underlying is a weighted basket composed of basket components. The Dynamic Weighting depends on the volatility of the Underlying relative to the Target Volatility. The Reference Rate is taken into account with a weight at the difference between 100% and the Dynamic Weighting. Generally speaking (without considering the deduction of the Fees, if any): If the volatility of the Underlying is higher than the Target Volatility then the Level of the Target Vol Strategy participates with less than 100% in the performance of the Underlying, subject to a Minimum Weight, and the Reference Rate is taken into account with a positive weight. If the volatility of the Underlying is less than the Target Volatility then the Level of the Target Vol Strategy participates with more than 100% in the performance of the Underlying, subject to a Maximum Weight, and the Reference Rate is taken into account with a negative weight. The Security Holder participates in the performance of the Level of the Target Vol Strategy under consideration of the Participation Factor, benefiting from a rising Level of the Target Vol Strategy in relation to the Strike. The Security Holder receives at least

the Minimum Amount. The Minimum Amount may be equal to, less than or greater than the Nominal Amount.

In respect of their redemption, the Securities may be linked to Fund Shares.

The Securities are always issued as Securities with cash settlement.

The Securities may be issued as non-Quanto or Quanto Securities.

Fees, Minimum Amount, Minimum Weight, Maximum Weight, Participation Factor, Reference Rate, Strike and Target Volatility are specified in the respective Final Terms.

### ***Interest***

The Securities do not bear interest.

### ***Redemption***

If no Conversion Event has occurred, the Securities are redeemed on the Maturity Date at the Redemption Amount. The Redemption Amount is equal to

- (i) the Nominal Amount
- (ii) multiplied by the Floor Level plus
  - (a) the Participation Factor multiplied by
  - (b) the quotient of R (final), as the numerator, and R (initial) as the denominator, minus the Strike.

R (initial) means:

- for Securities where R (initial) has already been specified, the level specified in the respective Final Terms, or
- for Securities with initial Reference Price observation, the Level of the Target Vol Strategy on the Initial Observation Date, or
- for Securities with initial average observation, the equally weighted average of the Levels of the Target Vol Strategy determined on the Initial Observation Dates.

R (final) means:

- for Securities with final Reference Price observation, the Level of the Target Vol Strategy on the Final Observation Date, or
- for Securities with final average observation, the equally weighted average of the Levels of the Target Vol Strategy determined on the Final Observation Dates.

The Level of the Target Vol Strategy on each Calculation Date<sub>t</sub> will be calculated by the Calculation Agent as the product of (a) the Level of the Target Vol Strategy with respect to the Calculation Date immediately preceding Calculation Date<sub>t</sub> and (b) the sum of (i) one, (ii) the dynamically weighted Return of the Basket with respect to the Calculation Date<sub>t</sub> and (iii) the dynamically weighted daily fraction (Act/360) of the Reference Rate. The Final Terms may specify a Fee<sub>TVL</sub>, a Fee<sub>Basket</sub>, a Fee<sub>Rate</sub> and/or a Fee<sub>Strat</sub> to be taken into account by way of deduction.

Return of Basket means the sum of the weighted Performances of the Basket Components<sub>i</sub> minus 1.

The Performance of the Basket Component<sub>i</sub> depends on the Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> on the Calculation Date<sub>t</sub> divided by the Reference Price<sub>i</sub> on the preceding Calculation Date.

Fee<sub>TVL</sub> (if applicable), Fee<sub>Basket</sub> (if applicable), Fee<sub>Rate</sub> (if applicable), Fee<sub>Strat</sub> (if applicable), Floor Level and Strike are specified in the respective Final Terms.

The Redemption Amount is not less than the Minimum Amount.

The Securities are deemed automatically exercised on the Exercise Date.

Upon the occurrence of a Conversion Event, the Securities will be redeemed at the Settlement Amount.

## **DESCRIPTIONS OF THE SECURITIES INCORPORATED BY REFERENCE IN THE BASE PROSPECTUS**

In connection with Securities which are publicly offered or admitted to trading for the first time before the date of this Base Prospectus and in connection with an increase of Securities the descriptions of the following Securities as included in in the Base Prospectus for the issuance of Fund-linked Securities under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG and the Euro 1,000,000,000 Debt Issuance Programme of UniCredit International Bank (Luxembourg) S.A. dated 20 October 2014 are hereby incorporated by reference into this Base Prospectus:

- Description of the Securities – Option 2: Fund Index Securities; and
- Description of the Securities – Option 10: Fund Index Telescope Securities.

A list setting out the information incorporated by reference is provided on page 439 et seq.

## CONDITIONS OF THE SECURITIES

### GENERAL INFORMATION

Part A – General Conditions of the Securities (the "**General Conditions**") must be read together with Part B – Product and Underlying Data (the "**Product and Underlying Data**") as well as Part C – Special Conditions of the Securities (the "**Special Conditions**") (together, the "**Conditions**"). A completed version of the Conditions describes the Terms and Conditions of the respective Tranche of Securities which are part of the relevant Global Note.

The Special Conditions are divided into the Special Conditions which apply for particular product types and Special Conditions which apply for all product types.

For each Tranche of Securities a separate document will be published, the so-called final terms (the "**Final Terms**"). The Final Terms will contain:

- (a) information on the relevant options contained in the General Conditions,
- (b) a consolidated version of the Product and Underlying Data,
- (c) a consolidated version of the Special Conditions,

reflecting the Terms and Conditions of the Securities.

A consolidated version of the General Conditions may be delivered together with the relevant Final Terms. Such consolidated General Conditions will not be part of the relevant Final Terms, neither as an annex nor as an integral part of the Final Terms and such consolidated General Conditions will not be filed with or sent to any competent authority.

## STRUCTURE OF THE CONDITIONS

### Part A – General Conditions of the Securities

- § 1 Form, Clearing System, Global Note, Custody
- § 2 Principal Paying Agent, Paying Agent, Calculation Agent
- § 3 Taxes
- § 4 Status
- § 5 Substitution of the Issuer
- § 6 Notices
- § 7 Security Holder's Extraordinary Termination Right
- § 8 Issuance of additional Securities, Repurchase
- § 9 Presentation Period
- § 10 Partial Invalidity, Corrections
- § 11 Applicable Law, Place of Performance, Place of Jurisdiction

### Part B – Product and Underlying Data

### Part C – Special Conditions of the Securities

[Option 1: In the case of Garant Securities, the following applies:]

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

[In the case of Garant Compo Securities, the following applies:]

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 2: In the case of Fund Index Securities, the following applies:]

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification]

[Option 3: In the case of Fund Reverse Convertible Securities, the following applies:]

- § 1 Definitions

- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Extraordinary Call Right
- § 6 Payments[, Delivery]
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Specification

[In the case of Quanto Securities with Physical Settlement, the following applies:

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 4: In the case of Sprint Securities and Sprint Cap Securities, the following applies:

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Extraordinary Call Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

[In the case of Compo Securities, the following applies:

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 5: In the case of Garant Basket Securities and Garant Cap Basket Securities, the following applies:

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

[In the case of Compo Securities, the following applies:

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 6: In the case of Garant Rainbow Securities and Garant Cap Rainbow Securities, the following applies:

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount

- § 5 Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

[In the case of Compo Securities, the following applies:]

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 7: In the case of Fund Index Performance Telescope Securities, the following applies:]

- § 1 Definitions
- § 2 Interest, Additional Amount
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification]

[Option 8: In the case of Garant Performance Telescope Securities, the following applies:]

- § 1 Definitions
- § 2 Interest, Additional Amount
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification]

[Option 9: In the case of Garant Performance Telescope Basket Securities, the following applies:]

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification]

[Option 10: In the case of Fund Index Telescope Securities, the following applies:]

- § 1 Definitions
- § 2 Interest, Additional Amount

- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification]

[Option 11: In the case of Fund Index Geoscope Securities, the following applies:]

- § 1 Definitions
- § 2 Interest, Additional Amount
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification]

[Option 12: In the case of Garant Telescope Securities, the following applies:]

- § 1 Definitions
- § 2 Interest, Additional Amount
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification]

[Option 13: In the case of Garant Geoscope Securities, the following applies:]

- § 1 Definitions
- § 2 Interest, Additional Amount
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification]

[Option 14: In the case of Securities linked to Target Vol Strategies, the following applies:]

- § 1 Definitions
- § 2 Interest

- § 3 Redemption
- § 4 Redemption Amount, Level of the Target Vol Strategy, Dynamic Weight, Basket Volatility
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Basket Component, Replacement Specification, Replacement Management Company]

## PART A – GENERAL CONDITIONS OF THE SECURITIES

### PART A - GENERAL CONDITIONS OF THE SECURITIES

(the "General Conditions")

#### § 1

**Form, Clearing System, Global Note, [In the case of Securities governed by English law, insert: Title,] Custody**

- (1) *Form:* This tranche (the "**Tranche**") of securities (the "**Securities**") of [UniCredit Bank AG (the "**Issuer**")][UniCredit International Bank (Luxembourg) S.A. (the "**Issuer**")] will be issued as [notes] [certificates] in bearer form pursuant to these Terms and Conditions with a Nominal Amount in the Specified Currency and in a denomination corresponding to the Nominal Amount.

[In the case of Securities with a Permanent Global Note from the Issue Date, the following applies:

- (2) *Permanent Global Note:* The Securities are represented by a permanent global note (the "**Global Note**") without interest coupons, which bears the manual or facsimile signatures of two authorised signatories of the Issuer [In the case of an Issuing Agent, the following applies: as well as the manual signature of a control officer of the Issuing Agent]. The Security Holders are not entitled to receive definitive Securities. The Securities [In the case of Securities governed by German law, insert: as co-ownership interests in the Global Note] may be transferred pursuant to the relevant regulations of the Clearing System.

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:<sup>1</sup>

- (2) *Temporary Global Note, Exchange:* The Securities are initially represented by a temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchangeable for a permanent global note without interest coupons (the "**Permanent Global Note**", and, together with the Temporary Global Note, the "**Global Notes**") on or after the 40th day after the Issue Date (the "**Exchange Date**") only upon delivery of certifications [In the case of Securities governed by English law, insert: to the Principal Paying Agent], to the effect that the beneficial owner or owners of the Securities represented by the Temporary Global Note is not a U.S. person or are not U.S. persons (other than certain financial institutions or certain persons holding Securities through such financial institutions) (the "**Non-U.S. Beneficial Ownership Certificates**"). The Global Notes bear the manual or facsimile signatures of two authorised representatives of the Issuer [In the case of an Issuing Agent, the following applies: as well as the manual signature of a control officer of the Issuing Agent]. [If CBL and Euroclear Bank are specified as Clearing System, the following applies: The details of such exchange shall be entered into the records of the ICSDs.] The Security Holders are not entitled to receive definitive Securities. The Securities [In the case of Securities governed by German law, insert: as co-ownership interests in the Global Notes] may be transferred pursuant to the relevant regulations of the Clearing System. [In the case of interest-bearing Securi-

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<sup>1</sup> The text found in § 1(2) is known as the "TEFRA D legend". This footnote provides a very brief synopsis of the so-called Excise Tax Exemption (formerly known as TEFRA) rules under the tax code of the United States of America ("U.S."). Generally, debt instruments in non-registered form (bearer securities) which have a maturity of longer than 365 days may be subject to U.S. tax penalties if the issuance of such instruments does not comply with either the TEFRA C or TEFRA D rules. TEFRA C is highly restrictive and may be used only if, among other things, the instruments will not be offered or issued to persons in the U.S. and its possessions, as defined under the U.S. Internal Revenue Code, and the issuer does not "significantly engage in interstate commerce with respect to the issuance." In this case a TEFRA legend is not required. The TEFRA D rules, which are more mechanical than the TEFRA C rules, impose, during a "restricted period", certain restrictions on (i) the offer and sale of the instruments to "U.S. persons" or to persons within the U.S. and its possessions and (ii) the delivery of the instruments in the U.S. The TEFRA D rules also generally require that the owner of an instrument certify as to non-U.S. beneficial ownership and that the instrument contain a "TEFRA D legend" with specific language on its face. Compliance with TEFRA D provides for a safe harbour if instruments are inadvertently issued to U.S. persons. To the extent that Securities have debt characteristics, such as "principal protection", TEFRA C and TEFRA D rules may apply. IF THERE IS ANY DOUBT WHETHER A SECURITY MAY BE CONSIDERED DEBT, U.S. LEGAL AND TAX COUNSEL MUST BE CONSULTED.

ties, the following applies: The right to receive interest is represented by the Permanent Global Note.]

"U.S. persons" means such persons as defined in *Regulation S* of the *United States Securities Act of 1933* and particularly includes residents of the United States as well as American stock corporations and private companies.]

[In the case of Securities where CBF is specified in the Final Terms, the following applies:

(3) *Custody:* The Global Note will be kept in custody by CBF.]

[In the case of Securities where CBL and Euroclear Bank is specified in the Final Terms, the following applies:

(3) *Custody:* The Global Notes will be issued in classical global note form and will be kept in custody by a common depositary on behalf of both ICSDs.]

[In the case of Securities where Euroclear France is specified in the Final Terms, the following applies:

(3) *Custody:* The Global Note will be kept in custody by or on behalf of the Clearing System.]

[In the case of Securities where "Other" is specified in the Final Terms, the following applies:

(3) *Custody:* The Global Note will be kept in custody by or on behalf of the Clearing System.]

[In the case of Securities governed by English law, insert:

(4) *Title:* Title to the Securities will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Security as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but without prejudice to the provisions set out in the next succeeding sentence. Each person (other than a Clearing System) who is for the time being shown in the records of the relevant Clearing System as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by the relevant Clearing System as to the nominal amount of the Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Securities, for which purposes the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant Global Notes and the expressions "**Security Holder**" and **holder of Securities** and related expressions shall be construed accordingly.

(5) *Method of Payment and Delivery:* Payments and, if applicable, deliveries will be made by a Paying Agent on behalf of the Issuer by credit or transfer to (in the case of any payment) an account in the principal financial centre of the Specified Currency, as determined by the Issuer or, in the case of a payment in euro, to a euro account (or any other account to which euro may be credited or transferred), or (in the case of any delivery) to an account with the Clearing System, the account in each case to be specified by the payee or recipient. Payments and deliveries to a Clearing System will be made in accordance with the rules of such Clearing System. All payments and/or deliveries will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and/or delivery, as the case may be, and subject to the provisions of § 3 of the General Conditions. If a payment of any amount to be paid to a Security Holder, according to the rules of the relevant Clearing System, cannot be made in the Specified Currency, such payment shall be made in the currency principally used by the relevant Clearing System for payments to security holders holding accounts with such Clearing System, following a conversion of the relevant amount from the Specified Currency, using the rate of exchange determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate.

(6) *Presentation for Payments:* Payments and, if applicable, deliveries will, subject as provided below, be made in the manner specified in the Global Note against presentation or surrender,

as the case may be, of the Global Note at the specified office any Paying Agent. A record of each payment and, if applicable, delivery made against presentation or surrender of the Global Note, distinguishing between any payment and delivery, will be made on the Global Note by the relevant Paying Agent and such record shall be prima facie evidence that the payment or delivery in question has been made.

- (7) *General Provisions applicable to Payments:* The holder of a Global Note shall be the only person entitled to receive payments and/or delivery of any amounts in respect of the Securities and the Issuer will be discharged by payment or delivery to, or to the order of, the bearer of the Global Note in respect of the amount so paid or delivered. Each of the persons shown in the records of a Clearing System as the beneficial holder of a particular nominal amount of the Securities must look solely to the relevant Clearing System for his share of each such payment and/or delivery so made by the Issuer to, or to the order of, the holder of the Global Note. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Paying Agent shall have any responsibility for any errors or omissions in the calculation of any amount payable or deliverable hereunder or in any other determination pursuant to the provisions hereof.
- (8) *Payment Day:* If any date for payment of any amount in respect of any Securities is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay. "**Payment Day**" means any day which is (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation and [London, ] [Frankfurt,] [Luxembourg] [and ••]; and (ii) either (1) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of such currency (if other than the place of presentation) or (2) in relation to any sum payable in euro, a day that the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.]

## § 2

### Principal Paying Agent, Paying Agent, Calculation Agent

- (1) *Paying Agents:* The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom] [*Insert name and address of other paying agent*]. [The French Paying Agent for Euroclear France S.A. is CACEIS Bank S.A., 1-3 rue place Valhubert, 75206 Paris Cedex 13, France (the "**French Paying Agent**").] The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 6 of the General Conditions.
- (2) *Calculation Agent:* The "**Calculation Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [*Insert name and address of other calculation agent*].
- (3) *Transfer of functions:* Should any event occur which results in the Principal Paying Agent[, French Paying Agent] or Calculation Agent being unable to continue in its function as Principal Paying Agent[, French Paying Agent] or Calculation Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent[, French Paying Agent] or another person or institution with the relevant expertise as Calculation Agent. Any such transfer of the functions of the Principal Paying Agent or Calculation Agent shall be notified by the Issuer without undue delay pursuant to § 6 of the General Conditions.
- (4) *Agents of the Issuer:* In connection with the Securities, the Principal Paying Agent[, the French Paying Agent], the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of

the Security Holders. [In the case of Securities governed by German law, insert: The Principal Paying Agent], the French Paying Agent] and the Paying Agents shall be exempt from the restrictions of § 181 German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**").[[In the case of Securities governed by English law, insert: Any calculations or determinations in respect of the Securities made by any of the Principal Paying Agent, [the French Paying Agent, ] the Paying Agents and the Calculation Agent shall be made in good faith and in a commercially reasonable manner and, save the case of manifest error, shall be final, conclusive and binding on the Security Holders.]

### § 3

#### Taxes

*No gross up:* Payments in respect of the Securities shall only be made after (i) deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (the "**Taxes**") under any applicable system of law or in any country which claims fiscal jurisdiction by or for the account of any political subdivision thereof or government agency therein authorised to levy Taxes, to the extent that such deduction or withholding is required by law and (ii) deduction of withholding of amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. The Issuer shall report on the deducted or withheld Taxes to the competent government agencies.

### § 4

#### Status

The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, at least *pari passu* with all other unsecured unsubordinated present and future obligations of the Issuer.

### § 5

#### Substitution of the Issuer

- (1) The Issuer may without the consent of the Security Holders, if no payment of principal or interest on any of the Securities is in default, at any time substitute the Issuer for any Affiliate of the Issuer as principal debtor in respect of all obligations of the Issuer under the Securities (the "**New Issuer**"), provided that

(a) the New Issuer assumes all obligations of the Issuer in respect of the Securities,

[In the case of Securities governed by English law, insert:

(b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent valid, legally binding and enforceable obligations of the New Issuer have been taken, fulfilled and done and are in full force and effect,]

[(b)][(c)] the Issuer and the New Issuer have obtained all necessary authorisations and may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,

~~[(c)]~~[(d)] the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution [,]and]

[(d)][(e)] the Issuer [*In the case of Securities issued from UniCredit International Luxembourg, insert:* and the Guarantor] guarantees proper payment of the amounts due under these Terms and Conditions[.] [, and]

*[In the case of Securities governed by English law, insert:*

(f) the Issuer shall have given at least [14] days' prior notice of the date of such substitution to the Security Holders in accordance with § 6 of the General Conditions.]

For purposes of this § 5 (1) "**Affiliate**" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

- (2) *Notice:* Any such substitution shall be notified in accordance with § 6 of the General Conditions.
- (3) *References:* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

## § 6

### Notices

To the extent these Terms and Conditions provide for a notice pursuant to this § 6, these will be published on the Website for Notices (or another website communicated by the Issuer with at least six weeks advance notice in accordance with these provisions) and become effective vis-à-vis the Security Holders through such publication unless the notice provides for a later effective date. If and to the extent that binding provisions of effective law or stock exchange provisions provide for other forms of publication, such publications must be made in addition and as provided for.

Other publications with regard to the Securities are published on the Website of the Issuer (or any successor website).

*[In the case of Securities admitted to trading on the regulated market of, or listed on the Official List of the Luxembourg Stock Exchange, the following applies:*

All notices concerning the Securities shall also be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).]

## § 7

### Security Holder's Extraordinary Termination Right

- (1) Each Security Holder shall be entitled to declare its Security due and demand immediate redemption thereof at the Termination Amount, in the event that
- (a) the Issuer fails to duly perform any obligation arising under the Securities and such failure continues for more than 60 days after the Issuer has received notice thereof from a Security Holder, or
  - (b) the Issuer generally ceases to make payments, or
  - (c) an application is made to open insolvency proceedings or a comparable proceeding with regard to the assets of the Issuer or the Issuer offers an out-of-court settlement to avert insolvency proceedings or other similar proceedings, or

- (d) the Issuer goes into liquidation, unless in connection with a merger, or other form of reorganisation, such other or such reorganised company assumes all obligations of the Issuer in respect of the Securities.

The right to declare the Securities due shall terminate if the relevant event of default has been cured before the right is exercised.

- (2) Any notice declaring the Securities due pursuant to paragraph (1) shall be made by means of written notice by the Security Holder to be delivered to the Principal Paying Agent by hand or registered mail together with sufficiently conclusive proof that such Security Holder at the time of such notice is a holder of the relevant Securities. The Principal Paying Agent shall forward the notice without undue delay to the Issuer without further examination.
- (3) The "**Termination Amount**" per Security shall be the reasonable market value of the Securities as determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] within ten Banking Days after receipt of the notice.

## § 8

### Issuance of additional Securities, Repurchase

- (1) *Issuance of additional Securities:* The Issuer reserves the right from time to time without the consent of the Security Holders to issue additional Securities with identical terms and conditions (except for the issue date and the issue price), so that the same shall be consolidated and form a single series (the "**Series**") with this Tranche. The term "*Securities*" shall, in the event of such increase, also comprise all additionally issued Securities.
- (2) *Repurchase:* The Issuer shall be entitled at any time to purchase Securities in the market or otherwise and at any price. Securities repurchased by the Issuer may, at the Issuer's discretion, be held, resold or forwarded to the Principal Paying Agent for cancellation.

[In the case of Securities governed by English law, the following applies:

- (3) *Cancellation:* All Securities which are redeemed will forthwith be cancelled. All Securities so cancelled shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.]

## § 9

### Presentation Period

[In the case of Securities governed by German law, the following applies:

The presentation period provided in § 801 paragraph 1 sentence 1 BGB is reduced to ten years for the Securities.]

[In the case of Securities governed by English law, the following applies:

The Securities will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined below) therefor.

The "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Security Holders in accordance with § 6 of the General Conditions.]

## § 10

[In the case of Securities governed by German law, the following applies:

### **Partial Invalidity, Corrections**

- (1) *Invalidity:* Should any provision of these Terms and Conditions be or become invalid or unenforceable in whole or in part, the remaining provisions are not affected thereby. Any gap arising as a result of invalidity or unenforceability of these Terms and Conditions is to be filled with a provision that corresponds to the meaning and intent of these Terms and Conditions and is in the interest of the parties.
- (2) *Typing and calculation errors:* Obvious typing and calculation errors or similar obvious errors in these Terms and Conditions entitle the Issuer to rescission vis-à-vis the Security Holders. The rescission must be declared without undue delay upon obtaining knowledge of such cause for rescission in accordance with § 6 of the General Conditions. Following such rescission by the Issuer, the Security Holder can instruct his Custodian Bank to submit a duly completed redemption declaration to the Principal Paying Agent on a form available there and by giving all information and declarations required by the form (the "**Redemption Declaration**") and demand the refunding of the Acquisition Price against transfer of the Securities to the account of the Principal Paying Agent with the Clearing System. The Issuer will until at the latest 30 calendar days after receipt of the Redemption Declaration or the Securities by the Principal Paying Agent (whatever is the later date) make the Acquisition Price available to the Principal Paying Agent, which will transfer it to the account listed in the Redemption Declaration. With the payment of the Acquisition Price all rights deriving from the submitted Securities cease to exist.
- (3) *Offer to continue:* The Issuer may combine the declaration of rescission pursuant to paragraph (2) above with an offer to continue the Securities under amended terms and conditions. The Security Holders will be informed of such an offer as well as the amended provisions together with the declaration of rescission in accordance with § 6 of the General Conditions. Such an offer is deemed to be accepted by the Security Holder (with the effect that the consequences of the rescission do not become effective) if the Security Holder does not within four weeks after the offer becoming effective pursuant to § 6 of the General Conditions demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his Custodian Bank to the Principal Paying Agent and the transfer of the Securities to the account of Principal Paying Agent with the Clearing System in accordance with paragraph (2) above. The Issuer will refer to this effect in the notice.
- (4) *Acquisition Price:* As used in paragraphs (2) and (3) above, the "**Acquisition Price**" is the actual acquisition price paid by each Security Holder (as stated and confirmed in the Redemption Declaration) or the weighted arithmetic mean of the trading prices of the Securities, as determined by the Issuer in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)], on the Banking Day preceding the declaration of rescission pursuant to paragraph (2) above, respectively, depending on which of these amounts is the higher one. If a market disruption pursuant to § 7 of the Special Conditions exists on the Banking Day preceding the declaration of rescission pursuant to paragraph (2) above, the last Banking Day preceding the rescission pursuant to paragraph (2) above on which no market disruption existed shall be decisive for the determination of the Acquisition Price in accordance with the preceding sentence.
- (5) *Incomplete or inconsistent provisions:* The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Terms and Conditions in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)]. Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 6 of the General Conditions.
- (6) *Adherence to corrected Terms and Conditions:* If the Security Holder was aware of typing or calculation errors or similar errors in these Terms and Conditions when purchasing the Securi-

ties, the Issuer is entitled to adhere to the Terms and Conditions amended accordingly irrespective of paragraphs (2) to (5) above.]

[In the case of Securities governed by English law, the following applies:

#### **Modifications**

The Issuer may, without the consent of the Security Holders:

- (a) modify any of the Terms and Conditions in any manner which is not prejudicial to the interests of the Security Holders; or
- (b) make any modifications to the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Security Holders and any such modification shall be notified to the Security Holders in accordance with § 6 as soon as practicable thereafter but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.]

### **§ 11**

**Applicable Law, [In the case of Securities governed by German law, insert:**

#### **Place of Performance,] Place of Jurisdiction**

[In the case of Securities governed by German law, the following applies:

- (1) *Applicable law:* The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.
- (2) *Place of performance:* Place of performance is Munich.
- (3) *Place of jurisdiction:* To the extent permitted by law, all legal disputes arising from or in connection with the matters governed by these Terms and Conditions shall be brought before the court in Munich.]

[In the case of Securities governed by English law, the following applies:

- (1) *Applicable law:* The Securities and any non-contractual obligations arising out of or in connection with any of them, are governed by, and construed in accordance with, English law.
- (2) *Submission to jurisdiction:*
  - (a) Subject to § 11 (2)(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Securities, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Securities (a "**Dispute**") and accordingly each of the Issuer and any Security Holder in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
  - (b) For the purposes of this § 11, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
  - (c) To the extent allowed by law, the Security Holders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.
- (3) *Appointment of Process Agent:* The Issuer irrevocably appoints UniCredit Bank AG, London Branch at Moor House 120 London Wall, London EC2Y5ET as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the

event of [•] being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

- (4) *Contracts (Rights of Third Parties) Act 1999*: No person shall have any right to enforce any term or condition of any Securities under the *Contracts (Rights of Third Parties) Act 1999*, but this does not affect any right or remedy of any person which exists or is available apart from that Act.]

## PART B – PRODUCT AND UNDERLYING DATA

### PART B – PRODUCT AND UNDERLYING DATA

(the "Product and Underlying Data")

*[Insert the following product data in alphabetical or different order and or as a table<sup>18</sup>*

#### § 1

##### Product Data

[The Securities are [Quanto] [Compo] Securities.]

[Additional Amount Payment Date (k): *[Insert]*]

[Adjustment Factor<sub>Basket</sub>: *[Insert]*]

[Adjustment Factor<sub>Rate</sub>: *[Insert]*]

[Adjustment Factor<sub>Strat</sub>: *[Insert]*]

[Adjustment Factor<sub>TVL</sub>: *[Insert]*]

[Aggregate Nominal Amount of the Series: *[Insert]*]

[Aggregate Nominal Amount of the Tranche: *[Insert]*]

[Banking Day Financial Centre: *[Insert]*]

[Basket Component<sub>i</sub>: *[Insert]*]

[Cap Level: *[Insert]*]

[Common Code: *[Insert]*]

[D (k): *[Insert]*]

[Designated Maturity: *[Insert]*]

[Final Observation Date[s]: *[Insert]*]

[Fee<sub>Basket</sub>: *[Insert]*]

[Fee<sub>Rate</sub>: *[Insert]*]

[Fee<sub>Strat</sub>: *[Insert]*]

[Fee<sub>TVL</sub>: *[Insert]*]

[Final Strike Level: *[Insert]*]

[First Day of the Best out-Period: *[Insert]*]

[First Day of the Worst out-Period: *[Insert]*]

[First Trade Date: *[Insert]*]

[FX Fixing Sponsor: *[Insert]*]

[Floor Level: *[Insert]*]

[FX Screen Page: *[Insert]*]

[Hedging Party: *[Insert]*]

[Initial Observation Date[s]: *[Insert]*]

[Interest Commencement Date: *[Insert]*]

[Interest End Date: *[Insert]*]

[Interest Payment Date[s]: *[Insert]*]

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<sup>18</sup> Several consecutively numbered tables may be provided in the Final Terms depending on the product type.

**[Interest Rate: [Insert]]**  
**ISIN: [Insert]**  
**Issue Date: [Insert]**  
**[Issue Price: [Insert]]**  
**[Issuing Agent: [Insert]]**  
**[K<sub>i</sub> (initial): [Insert]]**  
**[Last Day of the Best in-Period: [Insert]]**  
**[Last Day of the Worst in-Period: [Insert]]**  
**Maturity Date: [Insert]**  
**[Maximum Additional Amount (k): [Insert]]**  
**[Maximum Amount: [Insert]]**  
**[Maximum Interest Rate: [Insert]]**  
**[Maximum Weight: [Insert]]**  
**[Minimum Amount: [Insert]]**  
**[Minimum Interest Rate: [Insert]]**  
**[Minimum Weight: [Insert]]**  
**[N: [Insert number of Basket Components]]**  
**[Negative Spread: [Insert]]**  
**Nominal Amount: [Insert]<sup>19</sup>**  
**[Observation Date (k): [Insert]]**  
**[Participation Factor: [Insert]]**  
**[Participation Factor (final): [Insert]]**  
**[Positive Spread: [Insert]]**  
**Principal Paying Agent: [Insert]**  
**[R (initial): [Insert]]**  
**[Ratio: [Insert]]**  
**[Reference Currency: [Insert]]**  
**[Reference Price<sub>[i]</sub>: [Insert]]**  
**[Reference Rate Financial Centre: [Insert]]**  
**Reuters: [Insert] [Screen Page: [Insert]]**  
**[Screen Page: [Insert]]**  
**Series Number: [Insert]**  
**Specified Currency: [Insert]**  
**[Strike: [Insert]]**  
**[Strike Level: [Insert]]**  
**[Target Volatility: [Insert]]**

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<sup>19</sup> In the case of Securities issued by UniCredit Bank, the Nominal Amount shall be not less than EUR 1,000. In case of Securities issued by UniCredit International Luxembourg, the Amount shall not be less than EUR 100,000.

**Tranche Number:** *[Insert]*

**[Underlying:** *[Insert]*]

**[Volatility Observation Period:** *[Insert number of days]*]

**[Volatility Observation Period Offset:** *[Insert number of days]*]

**Website[s] of the Issuer:** *[Insert]*

**Website[s] for Notices:** *[Insert]*[[www.bourse.lu](http://www.bourse.lu)]

**[Weighting<sub>i[best]</sub> ( $W_{i[best]}$ ):** *[Insert]*]

**WKN:** *[Insert]*]

§ 2  
Underlying Data

**[Table 2.1:**

Underlying	Underlying Currency	[WKN]	[ISIN]	[Reuters]	[Bloomberg]	[Index Sponsor]
[Insert name of Underlying]	[Insert]	[Insert]	[Insert]	[Insert RIC]	[Insert Bloomberg ticker]	[Insert]

**[Table 2.2:**

Underlying	[Administrator]	[Investment Advisor]	[Custodian Bank]	[Management Company]	[Portfolio Manager]	[Relevant Exchange]	[Auditor]	[Index Calculation Agent]	[Website]
[Insert name of Underlying]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]

For further information regarding the past and future performance of the Underlying and its volatility, please refer to the Website as specified in the table (or any successor page).]

**[Table 2.1:**

Basket Component <sub>i</sub>	Currency of the Basket Component <sub>i</sub>	[Weighting (W <sub>i</sub> )]	[WKN <sub>i</sub> ]	[ISIN <sub>i</sub> ]	[Reuters <sub>i</sub> ]	[Bloomberg <sub>i</sub> ]
[Insert name of Basket Component <sub>i</sub> ]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert name of Basket Component <sub>N</sub> ]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]

For further information regarding the past and future performance of the Underlying and its volatility, please refer to the Website as specified in the table (or any successor page).]

**[Table 2.2:**

<b>Basket Component<sub>i</sub></b>	<b>[Administrator<sub>i</sub>]</b>	<b>[Investment Advisor<sub>i</sub>]</b>	<b>[Custodian Bank<sub>i</sub>]</b>	<b>[Management Company<sub>i</sub>]</b>	<b>[Portfolio Manager<sub>i</sub>]</b>	<b>[Auditor<sub>i</sub>]</b>	<b>[Website<sub>i</sub>]</b>
<i>[Insert name of Basket Component<sub>i</sub>]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>
<i>[Insert name of Basket Component<sub>N</sub>]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>

For further information regarding the past and future performance of the Underlying and its volatility, please refer to the Website as specified in the table (or any successor page).]

## PART C – SPECIAL CONDITIONS OF THE SECURITIES

### PART C – SPECIAL CONDITIONS OF THE SECURITIES

(the "Special Conditions")

#### Option 1: Garant Securities

[Option 1: In the case of Garant Securities, the following applies:]

#### § 1

#### Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event, the following applies:]

"Additional Adjustment Events" means:

[that the historic volatility of the Underlying exceeds a volatility level of [Insert]%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\left[ \sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the Underlying for the most recent [Insert number of days] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates in each case. The respective volatility determined using this method may not exceed a volatility level of [Insert]%.]

[that the difference between the historic volatility of the Underlying and the historic volatility of the Benchmark on both a Calculation Date and a Benchmark Calculation Date exceeds [Insert]%.]

The volatility of the Underlying is calculated on any day that is a Calculation Date and a Benchmark Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding [Insert number of days] Calculation Dates which are also Benchmark Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\left[ \sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date which is also a Benchmark Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on any day that is a Calculation Date and a Benchmark Calculation Date using the daily returns of the Underlying for the most recent [*Insert number of days*] Calculation Dates which are also Benchmark Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates which are also Benchmark Calculation Dates in each case.

The volatility of the Benchmark is calculated on any day that is a Benchmark Calculation Date and a Calculation Date on the basis of the daily logarithmic returns of the Benchmark over the immediately preceding [*Insert number of days*] Benchmark Calculation Dates which are also Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{q=1}^p \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] \right]^2 + \frac{1}{P} \times \left( \sum_{q=1}^p \ln \left[ \frac{BRP(t-q)}{BRP(t-q-1)} \right] \right)^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Benchmark Calculation Date which is also a Calculation Date;

"P" is [*Insert number of days*];

"BRP (t-k)" (with k = p, q) is the Benchmark Reference Price on the k-th Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on any day that is a Benchmark Calculation Date and a Calculation Date using the daily returns of the Benchmark for the most recent [*Insert number of days*] Benchmark Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the Benchmark Reference Price between two consecutive Benchmark Calculation Dates in each case.]]

[In the case of an Underlying other than ETF the following applies:

"**Adjustment Event**" means in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;
- (b) requests for the issue, redemption or transfer of Fund Shares are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or a provider of fund services appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) a change of significant individuals in key positions at the Management Company or in the Fund Management;

- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, purchase, redemption, sale or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash (unless such distribution in kind is at the option of a shareholder in the Fund or it is specified in the Fund Documents as the normal practice) or (v) the creation of side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off,

a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;

- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund Share as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the basis of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency,

[In the case of Securities in respect of which the volatility is an adjustment event, the following applies:

- (aa) the occurrence of an Additional Adjustment Event.]

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

[In the case of ETF as Underlying the following applies:

**"Adjustment Event"** means in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;

- (b) requests for the issue or purchase, redemption or sale or transfer of Fund Shares are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or a provider of fund services appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
- (g) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (h) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (i) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (j) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (k) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (l) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (m) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (n) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;

- (o) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (p) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (q) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (r) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (s) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (t) the Issuer loses the right to use the Fund Share as the Underlying for the Securities;
- (u) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (v) no notification is given of the basis of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (w) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (x) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (y) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (z) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (aa) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (bb) the NAV is no longer published in the Underlying Currency,

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

**"Administrator"** means the Administrator if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company appoints another person, company or institution as the Administrator of the Fund, each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

**"Aggregate Nominal Amount"** means the Aggregate Nominal Amount of the Series as specified in § 1 of the Product and Underlying Data.

**"Auditor"** means the Auditor if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

*[In the case of Securities where the Specified Currency is the Euro, the following applies:*

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("TARGET2") are open for business.]

*[In the case of Securities where the Specified Currency is not the Euro, the following applies:*

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

*[In the case of Securities where the Specified Currency is not the Euro, the following applies:*

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

**"Benchmark"** means the index as specified in § 1 of the Product and Underlying Data.

**"Benchmark Calculation Date"** means each day on which the Benchmark Reference Price is calculated and published by the Benchmark Sponsor.

**"Benchmark Reference Price"** means the closing price of the Benchmark.

**"Benchmark Sponsor"** means the Benchmark Sponsor as specified in § 1 of the Product and Underlying Data.

**"Benchmark Replacement Event"** means

- (a) any change in the relevant index concept or the calculation of the Benchmark, that in the reasonable discretion (§ 315 BGB) of the Calculation Agent result in a new relevant index concept or calculation of the Benchmark being no longer economically equivalent to the original relevant index concept or the original calculation of the Benchmark;
- (b) the calculation or publication of the Benchmark is finally discontinued, or replaced by another index (the "**Benchmark Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Benchmark as basis for any calculation or specifications described in these Terms and Conditions;
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Benchmark.

In cases of a Benchmark Replacement Event the Calculation Agent is entitled to determine in its reasonable discretion (§ 315 BGB), which index should be used in the future as a Benchmark (the "**Replacement Benchmark**"). The Replacement Benchmark will be published in accordance with § 6 of the General Conditions. Any reference to the replaced Benchmark in these Terms and Conditions shall be deemed to refer to the Replacement Benchmark.

If the Benchmark is no longer determined by the Benchmark Sponsor but rather by another person, company or institution (the "**New Benchmark Sponsor**"), then any calculation described in these Terms and Conditions shall occur on the basis of the Benchmark as determined by the New Benchmark Sponsor. In this case, any reference to the replaced Benchmark Sponsor in these Terms and Conditions shall be deemed to refer to the New Benchmark Sponsor.]

[In the case of Securities with a Best-in observation, the following applies:

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out observation, the following applies:

"**Best-out Period**" means [Insert relevant day(s)] from and including the First Day of the Best-out Period (inclusive) to and including the Final Observation Date (inclusive).]

"**Calculation Agent**" means the Calculation Agent as specified in § 2 (2) of the General Conditions.

"**Calculation Date**" means each day on which the Reference Price is normally published by [the Fund or the Management Company][the Relevant Exchange].

[In the case of Garant Cap Securities, the following applies:

"**Cap Level**" means the Cap Level as specified in § 1 of the Product and Underlying Data.]

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- [(i) the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System(s)].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

**"Clearance System Business Day"** means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Quanto and non-Quanto Securities, the following applies:

**"Conversion Event"** means Fund Conversion Event.]

[In the case of Compo Securities, the following applies:

**"Conversion Event"** means Fund Conversion Event or FX Conversion Event.]

**"Custodian Bank"** means the Custodian Bank if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of ETF as Underlying the following applies:

**"Determining Futures Exchange"** means the futures exchange, on which respective derivatives of the Underlying (the **"Derivatives"**) are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the **"Substitute Futures Exchange"**). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.]

[In the case of ETF as Underlying the following applies:

**"Exchange Traded Fund"** means a Fund specified as Exchange Traded Fund in § 2 of the Product and Underlying Data.]

[In the case of Securities with a final Reference Price observation, the following applies:

**"Exercise Date"** means the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

**"Exercise Date"** means the last Final Observation Date.]

[In the case of Securities with a Best-out observation period, the following applies:

**"First Day of the Best-out Period"** means the First Day of the Best-out Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

**"First Day of the Distribution Observation Period"** means the first Initial Observation Date.]

[In the case of Securities with a Worst-out observation, the following applies:

**"First Day of the Worst-out Period"** means the First Day of the Worst-out Period specified in § 1 of the Product and Underlying Data.]

**"First Trade Date"** means the First Trade Date as specified in § 1 of the Product and Underlying Data.

**"Floor Level"** means the Floor Level as specified in § 1 of the Product and Underlying Data.

"**Fund**" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the Fund in whose assets the Fund Share represents a proportional interest.

"**Fund Conversion Event**" means any of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (respectively a "**Fund Replacement Event**");
- [(b) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no Replacement Underlying is available;]
- [(b)] [(c)] in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no Replacement Management Company is available;
- [(c)] [(d)] a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s].

"**Fund Documents**" means, in relation to the Fund, in each case, if available and in the respective valid version: the annual report, the half-yearly report, [the interim reports] the sales prospectus, the terms and conditions of the Fund [, if applicable, the articles of association], the key investor information document and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

"**Fund Management**" means the persons responsible for the portfolio and/or risk management of the Fund.

"**Fund Services Provider**" means, if available, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor.

"**Fund Share**" means a unit or share of the Fund and of the class set out in § 1 of the Product and Underlying Data.

*[In the case of Compo Securities, the following applies:]*

"**FX Fixing Sponsor**" means the FX Fixing Sponsor as specified in § 1 of the Product and Underlying Data.

"**FX**" means the official fixing of the FX Exchange Rate as published by the FX Fixing Sponsor on the FX Screen Page (or any successor page).

"**FX Calculation Date**" means each day on which the FX is published by the FX Fixing Sponsor.

"**FX Conversion Event**" means any of the following events:

- (a) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable New FX Fixing Sponsor (as defined in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as defined in § 9 (2) of the Special Conditions) is available;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, acts of terrorism, insurgency, restrictions on payment transactions, entry of the country whose national currency is used into the European Economic and Monetary Union, withdrawal of that country from the European Economic and Monetary Union and other circumstances having a comparable impact on the FX) the reliable determination of the FX is impossible or impracticable.

*[If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency, the following applies:]*

"**FX Exchange Rate**" means the exchange rate for the conversion of the Specified Currency into the Underlying Currency.]

*[If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency, the following applies:]*

**"FX Exchange Rate"** means the exchange rate for the conversion of the Underlying Currency into the Specified Currency.]

**"FX (initial)"** means the FX on the FX Observation Date (initial).

**"FX (final)"** means the FX on the FX Observation Date (final).

**"FX Market Disruption Event"** means any of the following events:

- (a) the failure to publish the FX by the FX Fixing Sponsor;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects which are similar to the events listed above;

to the extent that the above-mentioned events in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent are material.

[In the case of Securities with an initial reference price observation, the following applies:

**"FX Observation Date (initial)"** means the FX Calculation Date immediately prior to the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

**"FX Observation Date (initial)"** means the FX Calculation Date immediately prior to the first Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:

**"FX Observation Date (final)"** means the FX Calculation Date immediately following the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

**"FX Observation Date (final)"** means the FX Calculation Date immediately following the last Final Observation Date.]

**"FX Screen Page"** means the FX Screen Page as specified in § 1 of the Product and Underlying Data.]

**"Hedging Disruption"** means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Investment Adviser"** means the Investment Adviser if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Investment Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:]

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Best-in observation, the following applies:]

**"Last Day of the Best-in Period"** means the Last Day of the Best-in Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:]

**"Last Day of the Distribution Observation Period"** means the last Final Observation Date.]

[In the case of Securities with a Worst-in observation, the following applies:]

**"Last Day of the Worst-in Period"** means the Last Day of the Worst-in Period specified in § 1 of the Product and Underlying Data.]

**"Management Company"** means the Management Company if specified in § 2 of the Product and Underlying Data. If the Fund specifies another person, company or institution as so specified in the "Management Company" column as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

**"Market Disruption Event"** means any of the following events:

[In the case of an Underlying other than ETF the following applies:]

- (a) the failure to calculate or the non-publication of the calculation of the NAV as a result of a decision by the Management Company or by the Fund Services Provider on behalf of the Management Company,
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund, the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of Fund Shares for a specified period or to restrict the redemption or issue of Fund Shares to a specified portion of the Fund volume or to levy additional fees, or
- (d) the Fund or the Management Company redeems the Fund Shares in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.]

[In the case of ETF as Underlying the following applies:]

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;

- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point in time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

**"Maturity Date"** means the Maturity Date as specified in § 1 of the Product and Underlying Data.

[In the case of Garant Cap Quanto and non-Quanto Securities, the following applies:

**"Maximum Amount"** means Nominal Amount x Cap Level.]

[In the case of Garant Cap Compo<sup>20</sup> Securities, the following applies:

**"Maximum Amount"** means Nominal Amount x [Floor Level + (Cap Level - Strike) x FX (initial) / FX (final)].]

[In the case of Garant Cap Compo<sup>21</sup> Securities, the following applies:

**"Maximum Amount"** means Nominal Amount x [Floor Level + (Cap Level - Strike) x FX (final) / FX (initial)].]

**"NAV"** means the official net asset value (the **"Net Asset Value"**) for a Fund Share as published by the Fund or the Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.]

**"Nominal Amount"** means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

**"Observation Date"** means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

**"Initial Observation Date"** means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

**"Initial Observation Date"** means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:

**"Final Observation Date"** means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

<sup>20</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

<sup>21</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

[In the case of Securities with a final average observation, the following applies:

"**Final Observation Date**" means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If a Final Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

"**Participation Factor**" means the Participation Factor as specified in § 1 of the Product and Underlying Data.

"**Performance of the Underlying**" means the quotient of R (final), as the numerator, and R (initial), as the denominator.

"**Portfolio Manager**" means the Portfolio Manager if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"**Principal Paying Agent**" means the Principal Paying Agent as specified in § 2 (1) of the Product and Underlying Data.

[In the case of Securities where R (initial) has already been specified, the following applies:

"**R (initial)**" means R (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"**R (initial)**" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (initial)**" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors, determined on the Initial Observation Dates.]

[In other cases, the following applies:

"**R (initial)**" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]]

[In the case of Securities with a Best-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (initial)**" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-in Period.]

[In other cases, the following applies:

"**R (initial)**" means the highest Reference Price during the Best-in Period.]]

[In the case of Securities with a Worst-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (initial)**" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-in Period.]

[In other cases, the following applies:

"**R (initial)**" means the lowest Reference Price during the Worst-in Period.]]

[In the case of Securities with a final reference price observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the value of the product of Reference Price and Reference Price Adjustment Factor on the Final Observation Date.]

[In other cases, the following applies:

"**R (final)**" means the Reference Price on the Final Observation Date.]]

[In the case of Securities with a final average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors, determined on the Final Observation Dates.]

[In other cases, the following applies:

"**R (final)**" means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]]

[In the case of Securities with a Best-out observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-out Period.]

[In other cases, the following applies:

"**R (final)**" means the highest Reference Price during the Best-out Period.]]

[In the case of Securities with a Worst-out observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-out Period.]

[In other cases, the following applies:

"**R (final)**" means the lowest Reference Price during the Worst-out Period.]]

"**Redemption Amount**" means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Price**" means the Reference Price of the Underlying as specified in § 1 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Reference Price Adjustment Factor**" means, in relation to an Observation Date, the product of all the Underlying Distribution Factors for which the Underlying Distribution Ex-Date falls into [the period] [the time] between the First Day of the Distribution Observation Period (exclusive) and the respective Observation Date (inclusive).]

[In the case of ETF as Underlying the following applies:

"**Relevant Exchange**" means the Relevant Exchange [as specified in § 2 of the Product and Underlying Data].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calcul-

lation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

"**Security Holder**" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"**Strike**" means the Strike as specified in § 1 of the Product and Underlying Data.

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a Fund Share as specified in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Underlying Distribution**" means each cash distribution specified by the Calculation Agent in its reasonable discretion [*in the case of Securities governed by German law, insert: (§ 315 BGB)*] that is declared and paid by the Fund or the Management Company in respect of the Underlying.

"**Underlying Distribution Date**" means, in relation to an Underlying Distribution, the Calculation Date immediately prior to the respective Underlying Distribution Ex-Date.

"**Underlying Distribution Ex-Date**" means, in relation to an Underlying Distribution, the first day on which the NAV is published having been reduced by that Underlying Distribution.

"**Underlying Distribution Factor**" means the Underlying Distribution Factor calculated by the Calculation Agent in respect of each Underlying Distribution Ex-Date within the Underlying Distribution Observation Period as the total of (i) one and (ii) the quotient of the respective Underlying Distribution (net) and the NAV on the respective Underlying Distribution Date.

"**Underlying Distribution (net)**" means, in relation to an Underlying Distribution, that Underlying Distribution less an amount specified by the Calculation Agent in its reasonable discretion [*in the case of Securities governed by German law, insert: (§ 315 BGB)*] equal to the taxes, levies, retentions, deductions or other charges that would arise with respect to the cash distribution for a private investor fully liable to tax in Germany if he were the holder of the Underlying.

"**Underlying Distribution Observation Period**" means each Calculation Date between the First Day of the Distribution Observation Period (exclusive) and the Last Day of the Distribution Observation Period.]

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website (s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in observation period, the following applies:

"**Worst-in Period**" means [*Insert relevant day(s)*] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out observation period, the following applies:]

**"Worst-out Period"** means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

## § 2

### Interest

The Securities do not bear interest.

## § 3

### Redemption

*Redemption:* The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.

## § 4

### Redemption Amount

*Redemption Amount:* The Redemption Amount equals an amount in the Specified Currency, which is calculated or, respectively, specified by the Calculation Agent as follows:

[In the case of Garant non-Quanto Securities, the following applies:]

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike))

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Quanto Securities, the following applies:]

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Compo<sup>22</sup> Securities, the following applies:]

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) x FX (initial)/FX (final)

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Compo<sup>23</sup> Securities, the following applies:]

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) x FX (final) / FX (initial)

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Cap non-Quanto Securities the following applies:]

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike))

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

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<sup>22</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

<sup>23</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

[In the case of Garant Cap Quanto Securities the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

[In the case of Garant Cap Compo<sup>24</sup> Securities the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) x FX (initial) / FX (final)

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

[In the case of Garant Cap Compo<sup>25</sup> Securities the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) x FX (final) / FX (initial)

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

## § 5

### Issuer's Conversion Right

*Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*in the case of Securities governed by German law, insert:* (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until

<sup>24</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

<sup>25</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.

- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

[In the case of Securities with an averaging observation, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such a postponement, several Observation Dates fall on the same day, then each of those Observation Dates shall be deemed to be an Observation Date for averaging purposes.]
- [(1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Compo Securities, the following applies:

If a FX Market Disruption Event occurs on an FX Observation Date, the respective FX Observation Date will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date or FX Observation Date, as the case may be, shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [in the case of Securities governed by German law, insert: (§ 315 BGB)] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

[Should the FX Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [in the case of Securities governed by German law, insert: (§ 315 BGB)] the respective FX. The FX required for the calculation or specification of the Redemption Amount shall be determined in accordance with prevailing market conditions at [Insert time and financial cen-

tre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.]]

## § 8

### Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*in the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust the Terms and Conditions (in particular the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*in the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to the Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to the Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in the Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (3) *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- (3) *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly

with reference to this price of the Underlying, then the relevant value will not be specified again.]

- (4) If the Underlying is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in the Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]

[In the case of Compo Securities, the following applies:

## § 9

### New FX Fixing Sponsor, Replacement Exchange Rate

- (1) *New FX Fixing Sponsor:* In the event that the FX Exchange Rate is no longer determined and published by the FX Fixing Sponsor, calculations or specifications of the Calculation Agent described in the Terms and Conditions shall occur on the basis of the determinations and publications by another person, company or institution which shall be specified by the Calculation Agent in its reasonable discretion [*in the case of Securities governed by German law, insert: (§ 315 BGB)*] (the "**New FX Fixing Sponsor**"). In this case each and every reference to the FX Fixing Sponsor in the Terms and Conditions, depending on the context, shall be deemed to refer to the New FX Fixing Sponsor. The New FX Fixing Sponsor and the time of its initial application shall be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Exchange Rate:* In the event that the FX Exchange Rate is no longer determined and published, the calculations or specifications of the Calculation Agent described in the Terms and Conditions shall occur on the basis of an exchange rate determined and published by another method, which will be specified by the Calculation Agent in its reasonable discretion [*in the case of Securities governed by German law, insert: (§ 315 BGB)*] (the "**Replacement Exchange Rate**"). In this case of a Replacement Exchange Rate each and every reference to the FX Exchange Rate, depending on the context, shall be deemed to refer to the Replacement Exchange Rate. The Replacement Exchange Rate and the time of its initial application shall be published in accordance with § 6 of the General Conditions.]

[The application of §§ 313, 314 BGB remains reserved.]]

## Option 2: Fund Index Securities

*[Option 2: In the case of Fund Index Securities, the following applies:]*

### § 1

#### Definitions

"**Adjustment Event**" means each Index Adjustment Event and Fund Adjustment Event.

"**Administrator**" means the Administrator if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund, each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified in § 1 of the Product and Underlying Data.

"**Auditor**" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents for the purpose of auditing the Reference Fund in connection with the annual report.

*[In the case of Securities where the Specified Currency is the Euro, the following applies:]*

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (**TARGET2**) ("**TARGET2**") are open for business.]

*[In the case of Securities where the Specified Currency is not the Euro, the following applies:]*

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

*[In the case of Securities where the Specified Currency is not the Euro, the following applies:]*

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

"**Calculation Agent**" means the Calculation Agent as specified in § 2 (2) of the General Conditions.

"**Calculation Date**" means each day on which the Reference Price is normally published as scheduled by the Index Sponsor or the Index Calculation Agent.

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- [(i)] the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)].*

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in respect of the securities that form the basis of the Underlying and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "ICSD" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System (s)].]

"**Conversion Event**" means any of the following events:

- (a) a Fund Conversion Event;
- (b) an Index Conversion Event;
- (c) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur(s).

"**Custodian Bank**" means, in relation to a Reference Fund, a person, company or institution acting as custodian of the Reference Fund's assets according to the Fund Documents.

[In the case of Securities with final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

"**Floor Level**" means the Floor Level as specified in § 1 of the Product and Underlying Data.

"**Fund Adjustment Event**" means:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer and/or the Hedging Party to comply with the terms of its hedging transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency of the Fund Shares, (iv) the respective method of calculating the net asset value or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;
- (b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts,

- charges, commissions, taxes or similar fees existing at the date the Reference Fund and where included in the Underlying);
- (d) the Reference Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Reference Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
  - (e) (i) a change in the legal, accounting, tax or regulatory treatment of the Reference Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Reference Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Reference Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings, a conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company or a Fund Services Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
  - (f) a breach of the investment objectives or the investment restrictions of the Reference Fund (as defined in the Fund Documents) or a breach of statutory or regulatory requirements by the Reference Fund or the Management Company;
  - (g) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer or the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer or the Hedging Party with respect to its hedging transactions to an extent that is significant in comparison with the conditions applying on the First Trade Date;
  - (h) an increase in the proportion of the volume held by the Issuer and the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into hedging transactions beyond [*Insert relevant percentage*]% of the outstanding Fund Shares in the Reference Fund;
  - (i) the Issuer or the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
  - (j) the sale or redemption of Fund Shares for reasons affecting the Issuer or the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
  - (k) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;
  - (l) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer, the Hedging Party or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
  - (m) no notification is given of the bases of taxation for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Reference Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;

- (n) the Reference Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Index Calculation Agent, the Issuer or the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
- (o) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- (p) the Reference Fund or the Management Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (q) any other event that could have a noticeable adverse effect on the net asset value of the Reference Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;

to the extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], the financial position of a hypothetical investor or of the Hedging Party or of the Security Holders suffers a significant adverse change as a result.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

A "**Fund Conversion Event**" exists if an adjustment pursuant to § 8 (2) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders.

"**Fund Documents**" means, in relation to a Reference Fund, – in each case, if available and in the respective most recent version – the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund [if applicable the articles of association], the key investor information and all other documents of the Reference Fund in which the terms and conditions of the Reference Fund and of the Fund Shares are specified.

"**Fund Services Provider**" means, if available, in relation to a Reference Fund, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor of the Reference Fund.

"**Fund Share**" means an Index Component which is a share in a Fund.

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.]

"**Hedging Party**" means the Hedging Party as specified in § 1 of the Product and Underlying Data. The Calculation Agent shall be entitled to specify another person or company as the Hedging Party (the "**Successor Hedging Party**") at any time. The Calculation Agent shall give notice of the specification of a Successor Hedging Party pursuant to § 6 of the General Conditions. In this case each and every reference to the Hedging Party in these Terms and Conditions, depending on the context, shall be deemed to refer to the Successor Hedging Party.

"**Increased Costs of Hedging**" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
  - (b) realise, reclaim or pass on proceeds from such transactions or assets,
- with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Index Adjustment Event"** means any of the following events:

- (a) changes in the relevant Index Concept or the calculation of the Underlying that, in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent, result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;
- (b) the calculation or publication of the Underlying is permanently discontinued or it is replaced by another index (the **"Index Replacement Event"**);
- (c) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying;
- (d) the Reference Price is no longer published in the Underlying Currency.

**"Index Calculation Agent"** means the Index Calculation Agent as specified in § 2 of the Product and Underlying Data.

**"Index Component"** means, in relation to the Underlying, an asset or a reference value which is incorporated in the calculation of the Underlying at the relevant time.

**"Index Conversion Event"** means each of the following events:

- (a) an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable Replacement Underlying is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;
- (d) the determination or publication of the Underlying no longer occurs in the Underlying Currency.

**"Index Sponsor"** means the Index Sponsor as specified in § 2 of the Product and Underlying Data.

**"Investment Adviser"** means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an adviser with respect to the investment activities of the Reference Fund.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

*[In the case of an Issuing Agent, the following applies:]*

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

**"Management Company"** means, in relation to a Reference Fund, a person, company or institution that manages the Reference Fund according to the Fund Documents.

**"Market Disruption Event"** means any of the following events:

*with respect to the Underlying:*

- (a) the suspension or restriction of trading generally on the exchanges or markets on which the Index Components are traded;
- (b) in relation to an Index Component, the suspension or restriction of trading on the exchanges or markets on which that Index Component is traded or on the respective futures exchanges or markets on which derivatives linked to that Index Component are traded;
- (c) in relation to individual derivatives linked to the Underlying, the suspension or restriction of trading on the futures exchanges or markets on which such derivatives are traded;
- (d) the failure to calculate or the cessation or non-publication of the calculation of the Underlying as the result of a decision by the Index Sponsor or the Index Calculation Agent;

*with respect to a Reference Fund:*

- (e) in relation to a Reference Fund, the failure to calculate or the non-publication of the calculation of the respective NAV as the result of a decision by the respective Management Company or a Fund Services Provider on its behalf,
- (f) in relation to a Reference Fund, the closure, conversion or insolvency of the Reference Fund or other circumstances which make it impossible to determine the NAV, or
- (g) in relation to a Reference Fund, it is not possible to trade Fund Shares at the NAV, including the utilisation of provisions which suspend the redemption or issuance of Fund Shares for a particular period or restrict them to a particular portion of the volume of the Reference Fund or make them subject to the imposition of additional charges, or which permit particular assets to be segregated or payment to be made in kind instead of in cash or in the case in which payment is not made in full on the redemption of Fund Shares, and
- (h) in relation to a Reference Fund, comparable provisions which affect the ability of the Issuer to hedge its obligations under the Securities,
- (i) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Reference Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent.

"**Maturity Date**" means the Maturity Date as specified in § 1 of the Product and Underlying Data.

*[In the case of Securities with a Minimum Amount and a Cap, the following applies:*

"**Maximum Amount**" means the Maximum Amount as specified in § 1 of the Product and Underlying Data.]

"**Minimum Amount**" means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

"**NAV**" means the official net asset value (the "**Net Asset Value**") for a Fund Share as published by the Reference Fund or from its Management Company and at which it is actually possible to redeem Fund Shares.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

*[In the case of Securities with an initial reference price observation, the following applies:*

"**Initial Observation Date**" means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation

Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

*[In the case of Securities with an initial average observation, the following applies:*

**"Initial Observation Date"** means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

*[In the case of Securities with a final reference price observation, the following applies:*

**"Final Observation Date"** means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Final Observation Date. Interests shall not be paid for such a postponement.]

*[In the case of Securities with a final average observation, the following applies:*

**"Final Observation Date"** means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If a Final Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Final Observation Date. Interests shall not be paid for such a postponement.]

**"Participation Factor"** means the Participation Factor as specified in § 1 of the Product and Underlying Data.

**"Performance of the Underlying"** means the quotient of R (final), as the numerator, and R (initial), as the denominator.

**"Portfolio Manager"** means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an portfolio manager with respect to the investment activities of the Reference Fund. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

*[In the case of Securities where R (initial) has already been specified, the following applies:*

**"R (initial)"** means R (initial) as specified in § 1 of the Product and Underlying Data.]

*[In the case of Securities with an initial reference price observation, the following applies:*

**"R (initial)"** means the Reference Price on the Initial Observation Date.]

*[In the case of Securities with an initial average observation, the following applies:*

**"R (initial)"** means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

*[In the case of Securities with a final reference price observation, the following applies:*

**"R (final)"** means the Reference Price on the Final Observation Date.]

*[In the case of Securities with a final average observation, the following applies:*

**"R (final)"** means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]

**"Redemption Amount"** means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

**"Reference Fund"** means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share has a proportional interest.

"**Reference Price**" means the Reference Price of the Underlying as specified in § 1 of the Product and Underlying Data.

"**Security Holder**" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days relating to a Security that forms the basis of the Underlying, within which settlement will customarily occur according to the rules of that Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"**Strike**" means the Strike as specified in § 1 of the Product and Underlying Data.

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Transfer and Registration Agent**" means, in relation to a Reference Fund, a person, company or institution entrusted with maintaining the books and records with respect to the shareholders of the Reference Fund according to the Fund Documents.

"**Underlying**" means the Underlying as specified in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

## § 2

### Interest

The Securities do not bear interest.

## § 3

### Redemption

*Redemption:* The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.

## § 4

### Redemption Amount

*Redemption Amount:* The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Securities with a Minimum Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Securities with a Minimum Amount and Cap, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

## § 5

### Issuer's Conversion Right

- (1) *Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

*[In the case of Securities with an averaging observation, the following applies:*

*Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such a postponement, several Observation Dates fall on the same day, then each of those Observation Dates shall be deemed to be an Observation Date for averaging purposes.]

*[Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

## § 8

### Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification

- (1) *Index Concept:* The basis for the calculations or specifications of the Calculation Agent described in these Terms and Conditions shall be the Underlying with its provisions applicable from time to time, as developed and maintained by the Index Sponsor, as well as the respective method of calculation, determination and publication of the price of the Underlying (the "**Index Concept**") applied by the Index Sponsor. This shall also apply if during the term of the Securities changes are made or occur in respect of the Index Concept, or if other measures are taken which have an impact on the Index Concept, unless otherwise provided in the provisions below.
- (2) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* adjust these Terms and Conditions (in particular, the ratio, the Underlying and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available NAV or the liquidation proceeds for the Reference Fund. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (3) *Replacement Underlying:* In cases of an Index Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* determining which index should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in

such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.

- (4) *New Index Sponsor and New Index Calculation Agent:* If the Underlying is no longer determined by the Index Sponsor but by another person, company or institution (the "**New Index Sponsor**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as determined by the New Index Sponsor. In this case, any reference to the Index Sponsor shall be deemed to refer to the New Index Sponsor, depending on the context. If the Underlying is no longer calculated by the Index Calculation Agent but by another person, company or institution (the "**New Index Calculation Agent**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as calculated by the New Index Calculation Agent. In this case, any reference to the Index Calculation Agent shall be deemed to refer to the New Index Calculation Agent, unless the context provides otherwise.

*[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:*

- (5) *Replacement Specification:* If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

*[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:*

- (5) *Replacement Specification:* If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]
- (6) If the Reference Fund is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.
- (7) If the Reference Fund is replaced by the Index Sponsor in accordance with the Index Concept by one or more other funds (in each case a "**Replacement Reference Fund**"), each and every reference to the Reference Fund in these Terms and Conditions shall be deemed, depending on the context, to refer to the respective Replacement Reference Fund. The Replacement Reference Fund shall be published pursuant to § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]]

### Option 3: Fund Reverse Convertible Securities

[Option 3: In the case of Fund Reverse Convertible Securities, the following applies:

#### § 1

#### Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event:

"Additional Adjustment Events" means:

[that the historic volatility of the Underlying exceeds a volatility level of [Insert]%. The historic volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the NAV over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the NAV for the most recent [Insert number of days] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates in each case. The volatility determined using this method may not exceed a volatility level of [Insert]%.]

[that the difference between the historic volatility of the Underlying and the historic volatility of the Benchmark on both a Calculation Date and a Benchmark Calculation Date exceeds [Insert]%.]

The volatility of the Underlying is calculated on any day that is a Calculation Date and a Benchmark Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding [Insert number of days] Calculation Dates which are also Benchmark Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date which is also a Benchmark Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on any day that is a Calculation Date and a Benchmark Calculation Date using the daily returns of the Underlying for the most recent [Insert number of days] Calculation Dates which are also Benchmark Calculation Dates and

standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates which are also Benchmark Calculation Dates in each case.

The volatility of the Benchmark is calculated on any day that is a Benchmark Calculation Date and a Calculation Date on the basis of the daily logarithmic returns of the Benchmark over the immediately preceding *[Insert number of days]* Benchmark Calculation Dates which are also Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{q=1}^p \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] \right]^2}{p-1} \times \sqrt{252}}$$

Where:

"t" is the relevant Benchmark Calculation Date which is also a Calculation Date;

"P" is *[Insert number of days]*;

"BRP (t-k)" (with k = p, q) is the Benchmark Reference Price on the k-th Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on any day that is a Benchmark Calculation Date and a Calculation Date using the daily returns of the Benchmark for the most recent *[Insert number of days]* Benchmark Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the Benchmark Reference Price between two consecutive Benchmark Calculation Dates in each case.]]

*[In the case of an Underlying other than ETF the following applies:*

"**Adjustment Event**" means in the reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;
- (b) requests for the issue, redemption or transfer of Fund Shares are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or Management Company or a provider of fund services appointed for this purpose by the Fund or Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) a change of significant individuals in key positions at the Management Company or in Fund Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by

the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;

- (h) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar officeholder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;

- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency.

[*In the case of Securities where the volatility is an Additional Adjustment Event:*

- (aa) the occurrence of an Additional Adjustment Event.]

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

[*In the case of ETF as Underlying the following applies:*

"**Adjustment Event**" means in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;
- (b) requests for the issue or purchase, redemption or sale or transfer of Fund Shares are executed only partially or not at all;

- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or a provider of fund services appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
- (g) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (h) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (i) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (j) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (k) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] in comparison with the conditions applying on the First Trade Date;
- (l) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (m) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (n) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (o) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;

- (p) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (q) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (r) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (s) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (t) the Issuer loses the right to use the Fund Share as the Underlying for the Securities;
- (u) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (v) no notification is given of the basis of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (w) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (x) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (y) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (z) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (aa) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (bb) the NAV is no longer published in the Underlying Currency,

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

**"Administrator"** means the Administrator if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund, each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

**"Aggregate Nominal Amount"** means the Aggregate Nominal Amount of the series as specified in § 1 of the Product and Underlying Data.

**"Auditor"** means the Auditor if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (**TARGET2**) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

**"Benchmark"** means the index as specified in § 1 of the Product and Underlying Data.

**"Benchmark Calculation Date"** means each day on which the Benchmark Reference Price is calculated and published by the Benchmark Sponsor.

**"Benchmark Reference Price"** means the closing price of the Benchmark.

**"Benchmark Sponsor"** means the Benchmark Sponsor as specified in § 1 of the Product and Underlying Data.

**"Benchmark Replacement Event"** means

- (a) any change in the relevant index concept or the calculation of the Benchmark, that in the reasonable discretion (§ 315 BGB) of the Calculation Agent result in a new relevant index concept or calculation of the Benchmark being no longer economically equivalent to the original relevant index concept or the original calculation of the Benchmark;
- (b) the calculation or publication of the Benchmark is finally discontinued, or replaced by another index (the "**Benchmark Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Benchmark as basis for any calculation or specifications described in these Terms and Conditions;
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Benchmark.

In cases of a Benchmark Replacement Event the Calculation Agent is entitled to determine in its reasonable discretion (§ 315 BGB), which index should be used in the future as a Benchmark (the "**Replacement Benchmark**"). The Replacement Benchmark will be published in accordance with § 6 of the General Conditions. Any reference to the replaced Benchmark in these Terms and Conditions shall be deemed to refer to the Replacement Benchmark.

If the Benchmark is no longer determined by the Benchmark Sponsor but rather by another person, company or institution (the "**New Benchmark Sponsor**"), then any calculation described in these Terms and Conditions shall occur on the basis of the Benchmark as determined by the New Benchmark Sponsor. In this case, any reference to the replaced Benchmark Sponsor in these Terms and Conditions shall be deemed to refer to the New Benchmark Sponsor.]

[In the case of Securities with a Best-in observation, the following applies:

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out observation, the following applies:

"**Best-out Period**" means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

"**Calculation Agent**" means the Calculation Agent as specified in § 2 (2) of the General Conditions.

"**Calculation Date**" means each day on which the Reference Price is normally published by the Fund or the Management Company.

[In the case of Quanto Securities with cash settlement and in the case of non-Quanto Securities, the following applies:

"**Call Event**" means each Fund Call Event.]

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

"**Call Event**" means Fund Call Event or FX Call Event.]

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- [(i) the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "ICSD" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System(s)].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

"**Day Count Fraction**" means the Day Count Fraction as specified in § 2 of the Special Conditions.

"**Custodian Bank**" means the Custodian Bank if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of floating-rate Securities, the following applies:

"**Designated Maturity**" means the Designated Maturity as specified in § 1 of the Product and Underlying Data.]

[In the case of ETF as Underlying the following applies:

"**Determining Futures Exchange**" means the futures exchange, on which respective derivatives of the Underlying (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.]

[In the case of floating-rate Securities with EURIBOR as the Reference Rate, the following applies:

"**Eurozone**" means the states and territories listed in the Annex to Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended.]

[In the case of ETF as Underlying the following applies:

"**Exchange Traded Fund**" means a Fund specified as Exchange Traded Fund in § 2 of the Product and Underlying Data.]

[In the case of Securities with final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

[In the case of Securities with a Best-out observation, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out observation, the following applies:

**"First Day of the Worst-out Period"** means the First Day of the Worst-out Period specified in § 1 of the Product and Underlying Data.]

**"First Trade Date"** means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

**"FX Fixing Sponsor"** means the FX Fixing Sponsor as specified in § 1 of the Product and Underlying Data.

**"FX"** means the official fixing of the FX Exchange Rate as published by the FX Fixing Sponsor on the FX Screen Page (or any successor page).

**"FX Calculation Date"** means each day on which the FX is published by the FX Fixing Sponsor.

**"FX Call Event"** means any of the following events:

- (a) in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent no suitable New FX Fixing Sponsor (as defined in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as defined in § 9 (2) of the Special Conditions) is available;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, acts of terrorism, insurgency, restrictions on payment transactions, entry of the country whose national currency is used into the European Economic and Monetary Union, withdrawal of that country from the European Economic and Monetary Union and other circumstances having a comparable impact on the FX) the reliable determination of the FX is impossible or impracticable.

[If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency, the following applies:

**"FX Exchange Rate"** means the exchange rate for the conversion of the Specified Currency into the Underlying Currency.]

[If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency, the following applies:

**"FX Exchange Rate"** means the exchange rate for the conversion of the Underlying Currency into the Specified Currency.]

**"FX (initial)"** means the FX on the FX Observation Date (initial).

**"FX (final)"** means the FX on the FX Observation Date (final).

**"FX Market Disruption Event"** means any of the following events:

- (a) the failure to publish the FX by the FX Fixing Sponsor;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects which are similar to the events listed above;

to the extent that the above-mentioned events in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent are material.

[In case of Securities with an initial reference price observation, the following applies:

**"FX Observation Date (initial)"** means the FX Calculation Date immediately prior to the Initial Observation Date.]

[In case of Securities with an initial average observation, the following applies:

**"FX Observation Date (initial)"** means the FX Calculation Date immediately prior to the first Initial Observation Date.]

*[In case of Securities with final reference price observation, the following applies:*

**"FX Observation Date (final)"** means the FX Calculation Date immediately following the Final Observation Date.]

*[In case of Securities with a final average observation, the following applies:*

**"FX Observation Date (final)"** means the FX Calculation Date immediately following the last Final Observation Date.]

**"FX Screen Page"** means the FX Screen Page as specified in § 1 of the Product and Underlying Data.]

**"Fund"** means, in relation to a Fund Share, the investment fund issuing that Fund Share or the Fund in whose assets the Fund Share represents a proportional interest.

**"Fund Call Event"** means any of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders [**"Fund Replacement Event"**];
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company is available;
- (c) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur(s).

**"Fund Documents"** means, in relation to the Fund, in each case, if available and in the respective valid version: the annual report, the half-yearly report, [the interim reports,] the sales prospectus, the terms and conditions of the Fund, as well as, if applicable, the articles of association, the key investor information document and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

**"Fund Management"** means the persons responsible for the portfolio and/or risk management of the Fund.

**"Fund Services Provider"** means, if applicable, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor.

**"Fund Share"** means a unit or share of the Fund and of the class set out in § 1 of the Product and Underlying Data.

**"Hedging Disruption"** means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 1 of the Product and Underlying Data.

**"Interest End Date"** means the Interest End Date as specified in § 1 of the Product and Underlying Data.

**"Interest Amount"** means the Interest Amount specified in § 2 of the Special Conditions.

[In the case of floating-rate Securities with EURIBOR as the Reference Rate, the following applies:

**"Interest Determination Date"** means the second TARGET Banking Day prior to the commencement of the respective Interest Period. **"TARGET Banking Day"** means a day on which TARGET2 is ready for operation.]

[In the case of floating-rate Securities with LIBOR as the Reference Rate, the following applies:

**"Interest Determination Date"** means the [Insert number] London Banking Day prior to the commencement of the respective Interest Period. **"London Banking Day"** means a day (other than a Saturday or Sunday) on which commercial banks in London are open for business (including foreign exchange business)]

[In the case of Securities with an interest payment, the following applies:

**"Interest Payment Date"** means the Interest Payment Date as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with several interest payments, the following applies:

**"Interest Payment Date"** means each Interest Payment Date as specified in § 1 of the Product and Underlying Data. Interest Payment Dates are subject to postponements in accordance with these Terms and Conditions.]

[In the case of Act/Act (ICMA), the following applies:

**"Interest Period"** means the period from an Interest Payment Date (inclusive) to the next following Interest Payment Date (exclusive).]

[In the case of Securities with an interest payment on the Maturity Date, the following applies:

**"Interest Period"** means the period from the Interest Commencement Date (inclusive) to the Interest End Date (exclusive).]

[In the case of Securities with several interest payments, the following applies:

**"Interest Period"** means the period from the Interest Commencement Date (inclusive) to the first Interest Payment Date (exclusive) and from each Interest Payment Date (inclusive) to the respective following Interest Payment Date (exclusive). The last Interest Period ends on the Interest End Date (exclusive).]

**"Interest Rate"** means the Interest Rate as specified in § 2 of the Special Conditions.

[In the case of Securities with an interest payment on the Maturity Date, the following applies:

**"Investment Adviser"** means the Investment Adviser if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Investment Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Best-in observation, the following applies:

**"Last Day of the Best-in Period"** means the Last Day of the Best-in Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-in observation, the following applies:

**"Last Day of the Worst-in Period"** means the Last Day of the Worst-in Period specified in § 1 of the Product and Underlying Data.]

[In the case of floating-rate Securities with LIBOR as the Reference Rate, the following applies:

**"Management Company"** means the Management Company if specified in § 2 of the Product and Underlying Data. If the Fund specifies another person, company or institution as so specified in the "Management Company" column as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

**"Maturity Date"** means the Maturity Date as specified in § 1 of the Product and Underlying Data.

**"Market Disruption Event"** means any of the following events:

[In the case of an Underlying other than ETF the following applies:

- (a) the failure to calculate or the non-publication of the calculation of the NAV as a result of a decision by the Management Company or by the Fund Services Provider on behalf of the Management Company, or
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund, the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of Fund Shares for a specified period or to restrict the redemption or issue of Fund Shares to a specified portion of the Fund volume or to levy additional fees, or
- (d) the Fund or the Management Company redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.]

[In the case of ETF as Underlying the following applies:

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point in time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

[In the case of floating-rate Securities with a Maximum Interest Rate, the following applies:

"**Maximum Interest Rate**" means the Maximum Interest Rate as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Minimum Interest Rate, the following applies:

"**Minimum Interest Rate**" means the Minimum Interest Rate as specified in § 1 of the Product and Underlying Data.]

"**NAV**" means the official net asset value (the "**Net Asset Value**") for a Fund Share as published by the Fund or the Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.

[In the case of floating-rate Securities with a Negative Spread, the following applies:

"**Negative Spread**" means the Negative Spread as specified in § 1 of the Product and Underlying Data.]

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:

"**Final Observation Date**" means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

[In the case of Securities with a final average observation, the following applies:

"**Final Observation Date**" means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If a Final Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

[In the case of floating-rate Securities with a Positive Spread, the following applies:

"**Positive Spread**" means the Positive Spread as specified in § 1 of the Product and Underlying Data.]

"**Portfolio Manager**" means the Portfolio Manager if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"**Principal Paying Agent**" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

"**R (initial)**" means R (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"**R (initial)**" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"**R (initial)**" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in observation, the following applies:

"**R (initial)**" means the highest Reference Price during the Best-in Period.]

[In the case of Securities with a Worst-in observation, the following applies:

"**R (initial)**" means the lowest Reference Price during the Worst-in Period.]

[In the case of Securities with a final reference price observation, the following applies:

"**R (final)**" means the Reference Price on the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

"**R (final)**" means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]

[In the case of Securities with a Best-out observation, the following applies:

"**R (final)**" means the highest Reference Price during the Best-out Period.]

[In the case of Securities with a Worst-out observation, the following applies:

"**R (final)**" means the lowest Reference Price during the Worst-out Period.]

[In the case of Securities which provide for the physical delivery of the Underlying in certain circumstances and where the Ratio has already been specified, the following applies:

"**Ratio**" means the Ratio as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities which provide for the physical delivery of the Underlying in certain circumstances and where the Ratio has yet to be specified, the following applies:

"**Ratio**" means the Ratio calculated by the Calculation Agent using the following formula:

Ratio = Nominal Amount / Strike]

[The Ratio shall be rounded up or down to six decimal places, with 0.0000005 being rounded upwards.]

"**Redemption Amount**" means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

[In the case of all floating-rate Securities with EURIBOR as the Reference Rate, the following applies:

"**Reference Banks**" means four major banks in the Eurozone interbank market specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB).]

[In the case of all floating-rate Securities with LIBOR as the Reference Rate, the following applies:

"**Reference Banks**" means four major banks in the London interbank market specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB).]

[In the case of all floating-rate Securities with LIBOR as the Reference Rate, the following applies:

"**Reference Currency**" means the Reference Currency as specified in § 1 of the Product and Underlying Data.]

"**Reference Price**" means the Reference Price of the Underlying as specified in § 1 of the Product and Underlying Data.

[In the case of all floating-rate Securities, the following applies:

"**Reference Rate**" means the Reference Rate as specified in § 2 of the Special Conditions.]

[In the case of all floating-rate Securities with LIBOR as the Reference Rate, the following applies:

"**Reference Rate Financial Centre**" means the Reference Rate Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of ETF as Underlying the following applies:

"**Relevant Exchange**" means the Relevant Exchange [as specified in § 2 of the Product and Underlying Data].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

[In the case of floating-rate Securities, the following applies:

"**Screen Page**" means the Screen Page and, if applicable, the corresponding heading as indicated in § 1 of the Product and Underlying Data. If that page is replaced or if the relevant service is no longer available, the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] shall specify another Screen Page on which the Reference Rate is displayed. This new Screen Page will be published in accordance with § 6 of the General Conditions.]

"**Security Holder**" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

"**Settlement Cycle**" means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

[In the case of Securities where the Strike has already been specified, the following applies:

"**Strike**" means the Strike as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where the Strike has yet to be specified, the following applies:

"**Strike**" means Strike Level x R (initial).]

[In the case of Securities where the Strike has yet to be specified, the following applies:

"**Strike Level**" means the Strike Level as specified in § 1 of the Product and Underlying Data.]

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a Fund Share as specified in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out observation, the following applies:

"**Worst-out Period**" means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

## § 2

### Interest

[In the case of Securities with only one Interest Period and CBF as Clearing System or if otherwise applicable, the following applies:

- (1) *Interest:* The Securities bear interest on their Aggregate Nominal Amount from the Interest Commencement Date (inclusive) until the Interest End Date (exclusive) at the Interest Rate.]

[In the case of Securities with several Interest Periods and CBF as Clearing System or if otherwise applicable, the following applies:

- (1) *Interest:* The Securities bear interest on their Aggregate Nominal Amount from the Interest Commencement Date (inclusive) for each Interest Period until the Interest End Date (exclusive) at the respective Interest Rate.]

[In the case of Securities with only one Interest Period and CBL as Clearing System or if otherwise applicable, the following applies:

- (1) *Interest:* The Securities bear interest on their Nominal Amount from the Interest Commencement Date (inclusive) until the Interest End Date (exclusive) at the Interest Rate.]

[In the case of Securities with several Interest Periods and CBL as Clearing System or if otherwise applicable, the following applies:

- (1) *Interest:* The Securities bear interest on their Nominal Amount from the Interest Commencement Date (inclusive) for each Interest Period until the Interest End Date (exclusive) at the respective Interest Rate.]

[In the case of fixed-rate Securities, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Interest Rate as specified [in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities which provide for different Interest Rates for each Interest Period, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Interest Rate indicated for the respective Interest Period in § 1 of the Product and Underlying Data.]

[In the case of floating-rate Securities, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Reference Rate for the Designated Maturity as displayed on the Screen Page on the relevant Interest Determination Date.]

[In the case of floating-rate Securities with a Positive Spread, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Reference Rate for the Designated Maturity as displayed on the Screen Page on the relevant Interest Determination Date, plus the Positive Spread.]

[In the case of floating-rate Securities with a Negative Spread, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Reference Rate for the Designated Maturity as displayed on the Screen Page on the relevant Interest Determination Date, minus the Negative

Spread.]

[In the case of Securities with a Maximum Interest Rate, the following applies:

If the Interest Rate determined for an Interest Period in accordance with the provisions above is greater than the Maximum Interest Rate, then the Interest Rate for that Interest Period shall be the Maximum Interest Rate.]

[In the case of Securities with a Minimum Interest Rate, the following applies:

If the Interest Rate determined for an Interest Period in accordance with the provisions above is less than the Minimum Interest Rate, then the Interest Rate for that Interest Period shall be the Minimum Interest Rate.]

[In the case of floating-rate Securities with EURIBOR as the Reference Rate, the following applies:

(3) **Reference Rate: "Reference Rate"** means the offered rate (expressed as a percentage per annum) for deposits in Euros for the corresponding Designated Maturity displayed on the Screen Page at 11:00 a.m. Brussels time on the relevant Interest Determination Date.

If either the Screen Page is not available or no offered rate is displayed at the time specified, then the Calculation Agent will ask each of the Reference Banks in the Eurozone to quote the rate at which they are offering deposits in Euros for the corresponding Designated Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately 11:00 a.m. Brussels time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Calculation Agent with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest thousandth of a percentage point, with 0.0005 rounded upwards).

In the event that on an Interest Determination Date no Reference Bank or only one provides the Calculation Agent with such a quotation, the relevant Reference Rate shall be the arithmetic mean (rounded as described above) of the rates at which major banks in the Eurozone selected by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are offering loans in Euros for the corresponding Designated Maturity in a representative amount to leading European banks at approximately 11:00 a.m. Brussels time on that Interest Determination Date.]

[In the case of floating-rate Securities with LIBOR as the Reference Rate, the following applies:

(3) **Reference Rate: "Reference Rate"** means the offered rate (expressed as a percentage per annum) for deposits in the Reference Currency for the corresponding Designated Maturity displayed on the Screen Page at 11:00 a.m. London time on the relevant Interest Determination Date.

If either the Screen Page is not available or no offered rate is displayed at the time specified, then the Calculation Agent will ask the London head offices of each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Currency for the corresponding Designated Maturity in a representative amount to leading banks in the London interbank market at approximately 11:00 a.m. London time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Calculation Agent with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards).

In the event that on an Interest Determination Date no Reference Bank or only one provides the Calculation Agent with such a quotation, the relevant Reference Rate shall be the arithmetic mean (rounded as described above) of the rates at which major banks in the Reference Rate Financial Centre selected by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are offering loans in the Reference Currency for the corresponding Designated Maturity in a representative amount to leading Eu-

ropean banks at approximately 11:00 a.m. Reference Rate Financial Centre time on that Interest Determination Date.]

[In the case of interest-bearing non-Quanto Securities with CBF as Clearing System or if otherwise applicable, the following applies:

[(3)][(4)] *Interest Amount:* The respective "**Interest Amount**" shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Aggregate Nominal Amount by the Day Count Fraction.

The respective Interest Amount becomes due for payment on the corresponding Interest Payment Date in accordance with the provisions of § 6 of the Special Conditions.]

[In the case of interest-bearing Quanto Securities with CBF as Clearing System or if otherwise applicable, the following applies:

[(3)][(4)] *Interest Amount:* The respective "**Interest Amount**" shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Aggregate Nominal Amount by the Day Count Fraction.

The respective Interest Amount becomes due for payment on the corresponding Interest Payment Date in accordance with the provisions of § 6 of the Special Conditions.]

[In the case of interest-bearing non-Quanto Securities with CBL as Clearing System or if otherwise applicable, the following applies:

[(3)][(4)] *Interest Amount:* The respective "**Interest Amount**" shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Nominal Amount by the Day Count Fraction.

The respective Interest Amount becomes due for payment on the corresponding Interest Payment Date in accordance with the provisions of § 6 of the Special Conditions.]

[In the case of interest-bearing Quanto Securities with CBL as Clearing System or if otherwise applicable, the following applies:

[(3)][(4)] *Interest Amount:* The respective "**Interest Amount**" shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Nominal Amount by the Day Count Fraction.

The respective Interest Amount becomes due for payment on the corresponding Interest Payment Date in accordance with the provisions of § 6 of the Special Conditions.]

[(4)][(5)] *Day Count Fraction:* "**Day Count Fraction**" for the purpose of calculating the Interest Amount for an Interest Period means:

[In the case of Securities where "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000 is applicable, the following applies:

the number of days in the Interest Period divided by 360, with the number of days being calculated on the basis of a year with 360 days and with 12 months of 30 days each (unless (A) the last day of the Interest Period is the 31st day of a month and the first day of the Interest Period is neither the 30th nor the 31st of a month, in which case the month containing that day is not treated as a month shortened to 30 days, or (B) the last day of the Interest Period is the last day of the month of February, in which case the month of February is not treated as a month extended to 30 days).]

[In the case of Securities where "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006 is applicable, the following applies:

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, into which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, into which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day of the Interest Period, expressed as a number, unless that number is 31, in which case D<sub>1</sub> is equal to 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day of the Interest Period, unless that number is 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> is equal to 30.]

[In the case of Securities where "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method) is applicable, the following applies:

the number of days in the Interest Period divided by 360, with the number of days being calculated on the basis of a year with 360 days and with 12 months of 30 days each, and disregarding the first or last day of the Interest Period (unless the last day of the Interest Period ending on the Maturity Date is the last day in the month of February, in which case the month of February is deemed not to be extended to a month of 30 days).]

[In the case of Securities where "30E/360" or "Eurobond Basis" in accordance with ISDA 2006 is applicable, the following applies:

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, into which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, into which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day of the Interest Period, expressed as a number, unless that number is 31, in which case D<sub>1</sub> is equal to 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day of the Interest Period, unless that number is 31, in which case D<sub>2</sub> is equal to 30.]

[In the case of Securities where "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method) is applicable, the following applies:

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y<sub>1</sub>" is the year, expressed as a number, into which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, into which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day of the Interest Period, expressed as a number, unless (i) that day is the last day of February, or (ii) that number is 31, in which case D<sub>1</sub> is equal to 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day of the Interest Period, unless (i) that day is the last day of February but not the Maturity Date, or (ii) that number is 31, in which case D<sub>2</sub> is equal to 30.]

[In the case of Securities where "Act/360" is applicable, the following applies:

the actual number of days in the Interest Period divided by 360.]

[In the case of Securities where "Act/365" (Fixed) is applicable, the following applies:

the actual number of days in the Interest Period divided by 365.]

[In the case of Securities where "Act/Act (ISDA)" is applicable, the following applies:

the actual number of days in the Interest Period divided by 365 (or, if a portion of that Interest Period falls into a leap year, the total of (A) the actual number of days in the Interest Period that fall into the leap year divided by 366, and (B) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).]

[In the case of Securities where "Act/Act (ICMA)" is applicable, the following applies:

for the purposes of determining an Interest Amount in respect of an accrual period is

[[i) if the accrual period is equal to or shorter than the Interest Period during which it falls,] the number of days in the accrual period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]

[[ii) if the accrual period is longer than the Interest Period:] the sum of

(A) the number of days in such accrual period falling in the Interest Period in which the accrual period begins, divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in one year], and

(B) the number of days in such accrual period falling in the next Interest Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]

[[5)] [(6)] Notice: The Calculation Agent shall carry out all determinations and calculations provided for in this § 2 and shall notify the Issuer without undue delay. The Issuer in turn shall communicate these determinations and calculations for the respective Interest Period to the Security Holders and to exchanges on which the Securities are listed and whose regulations require the exchange to be notified, in accordance with § 6 of the General Conditions of the Securities.]

### § 3

#### Redemption

[In the case of Securities with cash settlement, the following applies:

*Redemption:* The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.]

*[In the case of non-Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:*

*Redemption:* The Securities shall be redeemed upon automatic exercise either

- (i) if R (final) is equal to or greater than the Strike, by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if R (final) is less than the Strike, by the delivery of a quantity of Underlyings for each Security expressed by the Ratio. If the Ratio results in a fraction of the Underlying, a cash amount expressed in the Specified Currency equal to the value of the fraction of the Underlying (the "**Supplemental Cash Amount**") shall be paid, calculated on the basis of the Reference Price on the Observation Date (final) multiplied by the fraction of the Underlying.

The Securities shall be deemed automatically exercised on the Exercise Date.]

*[In the case of Quanto Securities<sup>26</sup> which provide for the physical delivery of the Underlying in certain circumstances, the following applies:*

*Redemption:* The Securities shall be redeemed upon automatic exercise either

- (i) if R (final) is equal to or greater than the Strike, by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if R (final) is less than the Strike, by the delivery of a quantity of Underlyings for each Security expressed by the Ratio multiplied by the FX (final). If the Ratio multiplied by the FX (final) results in a fraction of the Underlying, a cash amount expressed in the Specified Currency equal to the value of the fraction of the Underlying (the "**Supplemental Cash Amount**") shall be paid, calculated on the basis of the Reference Price on the Final Observation Date multiplied by the fraction of the Underlying and divided by the FX (final).

The Securities shall be deemed automatically exercised on the Exercise Date.]

*[In the case of Quanto Securities<sup>27</sup> which provide for the physical delivery of the Underlying in certain circumstances, the following applies:*

*Redemption:* The Securities shall be redeemed upon automatic exercise either

- (i) if R (final) is equal to or greater than the Strike, by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if R (final) is less than the Strike, by the delivery of a quantity of Underlyings for each Security expressed by the Ratio divided by the FX (final). If the Ratio divided by the FX (final) results in a fraction of the Underlying, a cash amount expressed in the Specified Currency equal to the value of the fraction of the Underlying (the "**Supplemental Cash Amount**") shall be paid, calculated on the basis of the Reference Price on the Final Observation Date multiplied by the fraction of the Underlying and the FX (final).

The Securities shall be deemed automatically exercised on the Exercise Date.]

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<sup>26</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

<sup>27</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

## § 4

### Redemption Amount

*Redemption Amount:* The Redemption Amount equals an amount in the Specified Currency, which is calculated or, respectively, specified by the Calculation Agent as follows:

[In the case of all non-Quanto and Quanto Securities with cash settlement, the following applies:

- If R (final) is equal to or greater than the Strike, then the Redemption Amount is equal to the Nominal Amount.
- If R (final) is less than the Strike, then the Redemption Amount is determined using the following formula:

$$\text{Redemption Amount} = \text{Nominal Amount} \times R (\text{final}) / \text{Strike}]$$

[In the case of non-Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

The Redemption Amount is equal to the Nominal Amount.]

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

The Redemption Amount is equal to the Nominal Amount.]

## § 5

### Issuer's Extraordinary Call Right

*Issuer's extraordinary call right:* Upon the occurrence of a Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and redeem the Securities at their Cancellation Amount. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be. [The application of §§ 313, 314 BGB remains reserved.]

The "**Cancellation Amount**" shall be the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] within ten Banking Days before the extraordinary call becomes effective.

The Cancellation Amount will be paid five Banking Days following the date of the above mentioned notice or on the date specified in such notice, as the case may be, pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments[, Delivery]

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.

- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.

[In the case of Securities with cash settlement, the following applies:

- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).]

[In the case of Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

- (4) *Interest of default:* If the Issuer fails to make any payment or delivery of the Underlying under the Securities when due, accrual of interest on due amounts or the value on the Final Observation Date of the Underlying to be delivered continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment or delivery (inclusive) and ends on the effective date of payment or delivery (inclusive).
- (5) *Delivery:* The delivery of the Underlying and the payment of any Supplemental Cash Amount shall be made within five Banking Days after the Maturity Date (the "**Delivery Period**") to the Clearing System for credit to the accounts of the respective Custodian Banks of the Security Holders. All costs, including custodian fees, stock exchange turnover tax, stamp duties, transaction fees, other taxes or charges incurred (collectively the "**Delivery Costs**") arising as a result of the delivery of the Underlying shall be borne by the respective Security Holder. The Underlying will be delivered in accordance with these Terms and Conditions at the Security Holder's own risk. If the Maturity Date for a delivery or payment is not a Banking Day, that delivery or payment shall be made on the next following Banking Day. Any such delay shall not give rise to a claim for interest or other payments. The Issuer is not obliged to pass on to the Security Holders notices or other documents of the issuer of the Underlying received by it prior to delivery of the Underlying, including if those notices or other documents relate to events occurring only after delivery of the Underlying. During the Delivery Period the Issuer is not obliged to exercise any rights of whatever nature arising from the Underlying. Claims arising from the Underlying that exist prior to or on the Maturity Date shall be due to the Issuer.
- (6) *Settlement Disruption Event:* If, in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent, the Issuer is unable to deliver the Underlying in accordance with these Terms and Conditions as the result of an event beyond the Issuer's control (a "**Settlement Disruption Event**"), and if that Settlement Disruption Event has occurred prior to delivery of the Underlying and continues to exist on the Maturity Date, then the first day of the Delivery Period shall be postponed to the next Banking Day on which a Settlement Disruption Event no longer exists. The Security Holders shall be given notice of this in accordance with § 6 of the General Conditions. The Security Holders shall have no claim to the payment of interest or other amounts in the event that a delay occurs in the delivery of the Underlying in accordance with this paragraph. There shall be no liability on the part of the Issuer in this respect. In the case of a Settlement Disruption Event the Securities may be repurchased at the Present Value of the Redemption Price in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Issuer and of the Calculation Agent. The "**Present Value of the Redemption Price**" is an amount determined by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] on the basis of the NAV on the Final Observation Date, if subscriptions and redemptions are possible at that NAV, or otherwise an amount that the Calculation Agent determines in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

[In the case of Securities with an averaging observation, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such a postponement, several Observation Dates fall on the same day, then each of those Observation Dates shall be deemed to be an Observation Date for averaging purposes.]
- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

If an FX Market Disruption Event occurs on an FX Observation Date, the respective FX Observation Date will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date or FX Observation Date, as the case may be, shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective Reference Price required for the calculations or, respectively, specifications described in these Terms and Conditions. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

[Should the FX Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective FX. The FX required for the calculations or, respectively, specifications described in these Terms and Conditions shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.]]

## § 8

### Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] adjust these Terms and Conditions (in particular the Underlying, the Ratio and/or all prices of

the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.

- [(2)] *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made as well as the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.]

*[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:*

- [(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

*[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle:*

- [(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

- [(3)] [(4)] If the Underlying is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

## § 9

### **New FX Fixing Sponsor, Replacement Exchange Rate**

- (1) *New FX Fixing Sponsor:* In the event that the FX Exchange rate is no longer determined and published by the FX Fixing Sponsor, calculations or, respectively, specifications of the Calculation Agent described in these Terms and Conditions shall occur on the basis of the determinations and publications by another person, company or institution which shall be specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] (the "**New FX Fixing Sponsor**"). In this case each and every reference to the FX Fixing Sponsor in these Terms and Conditions, depending on the context, shall be deemed to refer to the New FX Fixing Sponsor. The New FX Fixing Sponsor and the time of its initial application shall be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Exchange Rate:* In the event that the FX Exchange Rate is no longer determined and published, the calculations or, respectively, specifications of the Calculation Agent described in these Terms and Conditions shall occur on the basis of an exchange rate determined and published by another method, which will be specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] (the "**Replacement Exchange Rate**"). In case of a Replacement Exchange Rate each and every reference to the FX Exchange Rate, depending on the context, shall be deemed to refer to the Replacement Exchange Rate. The Replacement Exchange Rate and the time of its initial application shall be published in accordance with § 6 of the General Conditions.] [The application of §§ 313, 314 BGB remains reserved.]]

## Option 4: Sprint Securities

[Option 4: In the case of Sprint Securities and Sprint Cap Securities, the following applies:

### § 1

#### Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event:

"Additional Adjustment Events" means:

[that the historic volatility of the Underlying exceeds a volatility level of [Insert]%. The historic volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the NAV over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the NAV for the most recent [Insert number of days] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates in each case. The volatility determined using this method may not exceed a volatility level of [Insert]%.]

[that the difference between the historic volatility of the Underlying and the historic volatility of the Benchmark on both a Calculation Date and a Benchmark Calculation Date exceeds [Insert]%.]

The volatility of the Underlying is calculated on any day that is a Calculation Date and a Benchmark Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding [Insert number of days] Calculation Dates which are also Benchmark Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date which is also a Benchmark Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on any day that is a Calculation Date and a Benchmark Calculation Date using the daily returns of the Underlying for the most recent [Insert number of days] Calculation Dates which are also Benchmark Calculation Dates and

standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates which are also Benchmark Calculation Dates in each case.

The volatility of the Benchmark is calculated on any day that is a Benchmark Calculation Date and a Calculation Date on the basis of the daily logarithmic returns of the Benchmark over the immediately preceding *[Insert number of days]* Benchmark Calculation Dates which are also Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{q=1}^p \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] \right]^2}{p-1} \times \sqrt{252}}$$

Where:

"t" is the relevant Benchmark Calculation Date which is also a Calculation Date;

"P" is *[Insert number of days]*;

"BRP (t-k)" (with k = p, q) is the Benchmark Reference Price on the k-th Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on any day that is a Benchmark Calculation Date and a Calculation Date using the daily returns of the Benchmark for the most recent *[Insert number of days]* Benchmark Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the Benchmark Reference Price between two consecutive Benchmark Calculation Dates in each case.]]

*[In the case of an Underlying other than ETF the following applies: "Adjustment Event" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:*

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;
- (b) requests for the issue, redemption or transfer of Fund Shares are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or a provider of fund services appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii)

the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;

- (h) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;

- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency.

[In the case of Securities where the volatility is an Additional Adjustment Event:

- (aa) the occurrence of an Additional Adjustment Event.]

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

[In the case of ETF as Underlying the following applies:

"**Adjustment Event**" means in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;
- (b) requests for the issue or purchase, redemption or sale or transfer of Fund Shares are executed only partially or not at all;

- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or a provider of fund services appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
- (g) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (h) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (i) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (j) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (k) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] in comparison with the conditions applying on the First Trade Date;
- (l) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (m) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (n) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (o) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;

- (p) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (q) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (r) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (s) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (t) the Issuer loses the right to use the Fund Share as the Underlying for the Securities;
- (u) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (v) no notification is given of the basis of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (w) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (x) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (y) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (z) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (aa) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (bb) the NAV is no longer published in the Underlying Currency,

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

"**Administrator**" means the Administrator if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund, each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the series as specified in § 1 of the Product and Underlying Data.

"**Auditor**" means the Auditor if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

"**Benchmark**" means the index as specified in § 1 of the Product and Underlying Data.

"**Benchmark Calculation Date**" means each day on which the Benchmark Reference Price is calculated and published by the Benchmark Sponsor.

"**Benchmark Reference Price**" means the closing price of the Benchmark.

"**Benchmark Sponsor**" means the Benchmark Sponsor as specified in § 1 of the Product and Underlying Data.

"**Benchmark Replacement Event**" means

- (a) any change in the relevant index concept or the calculation of the Benchmark, that in the reasonable discretion (§ 315 BGB) of the Calculation Agent result in a new relevant index concept or calculation of the Benchmark being no longer economically equivalent to the original relevant index concept or the original calculation of the Benchmark;
- (b) the calculation or publication of the Benchmark is finally discontinued, or replaced by another index (the "**Benchmark Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Benchmark as basis for any calculation or specifications described in these Terms and Conditions;
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Benchmark.

In cases of a Benchmark Replacement Event the Calculation Agent is entitled to determine in its reasonable discretion (§ 315 BGB), which index should be used in the future as a Benchmark (the "**Replacement Benchmark**"). The Replacement Benchmark will be published in accordance with § 6 of the General Conditions. Any reference to the replaced Benchmark in these Terms and Conditions shall be deemed to refer to the Replacement Benchmark.

If the Benchmark is no longer determined by the Benchmark Sponsor but rather by another person, company or institution (the "**New Benchmark Sponsor**"), then any calculation described in these Terms and Conditions shall occur on the basis of the Benchmark as determined by the New Benchmark Sponsor. In this case, any reference to the replaced Benchmark Sponsor in these Terms and Conditions shall be deemed to refer to the New Benchmark Sponsor.]

[In the case of Securities with a Best-in observation, the following applies:

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out observation, the following applies:

"**Best-out Period**" means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

"**Calculation Agent**" means the Calculation Agent as specified in § 2 (2) of the General Conditions.

"**Calculation Date**" means each day on which the Reference Price is normally published by the Fund or the Management Company.

[In the case of Quanto Securities and in the case of non-Quanto Securities, the following applies:

"**Call Event**" means each Fund Call Event.]

[In the case of Compo Securities, the following applies:

"**Call Event**" means Fund Call Event or FX Call Event.]

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- [(i) the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].]

[In the case of Sprint Cap Compo Securities where the Maximum Amount has yet to be specified, the following applies:

"**Cap Level**" means the Cap Level as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System(s)].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

"**Custodian Bank**" means the Custodian Bank if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of ETF as Underlying the following applies:

"**Determining Futures Exchange**" means the futures exchange, on which respective derivatives of the Underlying (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.]

[In the case of ETF as Underlying the following applies:

"**Exchange Traded Fund**" means a Fund specified as Exchange Traded Fund in § 2 of the Product and Underlying Data.]

[In the case of Securities with final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

[In the case of Securities with a Best-out observation, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out observation, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified in § 1 of the Product and Underlying Data.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Compo Securities, the following applies:

"**FX Fixing Sponsor**" means the FX Fixing Sponsor as specified in § 1 of the Product and Underlying Data.

"**FX**" means the official fixing of the FX Exchange Rate as published by the FX Fixing Sponsor on the FX Screen Page (or any successor page).

"**FX Calculation Date**" means each day on which the FX is published by the FX Fixing Sponsor.

"**FX Call Event**" means each of the following events:

- (a) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no suitable New FX Fixing Sponsor (as defined in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as defined in § 9 (2) of the Special Conditions) is available;
- (b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, acts of terrorism, insurgency, restrictions on payment transactions, entry of the country whose national currency is used into the European Economic and Monetary Union, withdrawal of that country from the European Economic and Monetary Union and other circumstances having a comparable impact on the FX) the reliable determination of the FX is impossible or impracticable.

*[If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency, the following applies:]*

"**FX Exchange Rate**" means the exchange rate for the conversion of the Specified Currency into the Underlying Currency.]

*[If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency, the following applies:]*

"**FX Exchange Rate**" means the exchange rate for the conversion of the Underlying Currency into the Specified Currency.]

"**FX (initial)**" means the FX on the FX Observation Date (initial).

"**FX (final)**" means the FX on the FX Observation Date (final).

"**FX Market Disruption Event**" means each of the following events:

- (a) the failure to publish the FX by the FX Fixing Sponsor;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects which are similar to the events listed above;

to the extent that the above-mentioned events in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent are material.

*[In the case of Securities with an initial reference price feature, the following applies:]*

"**FX Observation Date (initial)**" means the FX Calculation Date immediately prior to the Initial Observation Date.]

*[In the case of Securities with an initial average feature, the following applies:]*

"**FX Observation Date (initial)**" means the FX Calculation Date immediately prior to the first Initial Observation Date.]

*[In the case of Securities with a final reference price observation, the following applies:]*

"**FX Observation Date (final)**" means the FX Calculation Date immediately following the Final Observation Date.]

*[In the case of Securities with a final average feature, the following applies:]*

"**FX Observation Date (final)**" means the FX Calculation Date immediately following the last Final Observation Date.]

"**FX Screen Page**" means the FX Screen Page as specified in § 1 of the Product and Underlying Data.]

**"Fund"** means, in relation to a Fund Share, the investment fund issuing that Fund Share or the Fund in whose assets the Fund Share represents a proportional interest.

**"Fund Call Event"** means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders [**"Fund Replacement Event"**];
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company is available;
- (c) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur(s).

**"Fund Documents"** means, in relation to the Fund, in each case, if available and in the respective valid version: the annual report, the half-yearly report, [the interim reports,] the sales prospectus, the terms and conditions of the Fund, as well as if applicable, the articles of association,] the key investor information document and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

**"Fund Management"** means the persons responsible for the portfolio and/or risk management of the Fund.

**"Fund Services Provider"** means, if applicable, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor.

**"Fund Share"** means a unit or share of the Fund and the class set out in § 1 of the Product and Underlying Data.

**"Hedging Disruption"** means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Investment Adviser"** means the Investment Adviser if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Investment Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Best-in observation, the following applies:

"**Last Day of the Best-in Period**" means the Last Day of the Best-in Period specified [in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-in observation, the following applies:

"**Last Day of the Worst-in Period**" means the Last Day of the Worst-in Period specified in § 1 of the Product and Underlying Data.]

"**Management Company**" means the Management Company if specified in § 2 of the Product and Underlying Data. If the Fund specifies another person, company or institution as so specified in the "Management Company" column as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"**Market Disruption Event**" means any of the following events:

[In the case of an Underlying other than ETF the following applies:

- (a) the failure to calculate or the non-publication of the calculation of the NAV as a result of a decision by the Management Company or by the Fund Services Provider on behalf of the Management Company,
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund, the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of Fund Shares for a specified period or to restrict the redemption or issue of Fund Shares to a specified portion of the Fund volume or to levy additional fees, or
- (d) the Fund or the Management Company redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.]

[In the case of ETF as Underlying the following applies:

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point in time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

"**Maturity Date**" means the Maturity Date as specified in § 1 of the Product and Underlying Data.

[In the case of Sprint Quanto and non-Quanto Cap Securities, the following applies:]

"**Maximum Amount**" means Nominal Amount x Cap Level.]

[In the case of Sprint Cap Compo Securities<sup>28</sup>, the following applies:]

"**Maximum Amount**" means Nominal Amount x Cap Level x FX (initial) / FX (final)]

[In the case of Sprint Cap Compo Securities<sup>29</sup>, the following applies:]

"**Maximum Amount**" means Nominal Amount x Cap Level x FX (final) / FX (initial)]

"**NAV**" means the official net asset value (the "**Net Asset Value**") for a Fund Share as published by the Fund or Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:]

"**Initial Observation Date**" means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:]

"**Initial Observation Date**" means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:]

"**Final Observation Date**" means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

[In the case of Securities with a final average observation, the following applies:]

"**Final Observation Date**" means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If a Final Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

"**Participation Factor**" means the Participation Factor as specified in § 1 of the Product and Underlying Data.

"**Performance of the Underlying**" means the quotient of R (final), as the numerator, and R (initial), as the denominator.

"**Portfolio Manager**" means the Portfolio Manager [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Man-

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<sup>28</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency.

<sup>29</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency.

agement Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:]

**"R (initial)"** means R (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:]

**"R (initial)"** means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:]

**"R (initial)"** means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in observation, the following applies:]

**"R (initial)"** means the highest Reference Price during the Best-in Period.]

[In the case of Securities with a Worst-in observation, the following applies:]

**"R (initial)"** means the lowest Reference Price during the Worst-in Period.]

[In the case of Securities with a final reference price observation, the following applies:]

**"R (final)"** means the Reference Price on the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:]

**"R (final)"** means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]

[In the case of Securities with a Best-out observation, the following applies:]

**"R (final)"** means the highest Reference Price during the Best-out Period.]

[In the case of Securities with a Worst-out observation, the following applies:]

**"R (final)"** means the lowest Reference Price during the Worst-out Period.]

**"Redemption Amount"** means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

**"Reference Price"** means the Reference Price of the Underlying as specified in § 1 of the Product and Underlying Data.

[In the case of ETF as Underlying the following applies:]

**"Relevant Exchange"** means the Relevant Exchange [as specified in § 2 of the Product and Underlying Data].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

**"Security Holder"** means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

[In the case of Securities where the Strike has already been specified, the following applies:

"**Strike**" means the Strike as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where the Strike has yet to be specified, the following applies:

"**Strike**" means Strike Level x R (initial).]

"**Strike Level**" means the Strike Level as specified in § 1 of the Product and Underlying Data.]

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a Fund Share as specified in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out observation, the following applies:

"**Worst-out Period**" means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

## § 2

### Interest

The Securities do not bear interest.

## § 3

### Redemption

*Redemption:* The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.

## § 4

### Redemption Amount

*Redemption Amount:* The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Sprint non-Quanto Securities and Sprint Quanto Securities, the following applies:

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)).

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying.]

[In the case of Sprint Compo Securities<sup>30</sup>, the following applies:

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) x FX (initial) / FX (final).

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying x FX (initial) / FX (final).]

[In the case of Sprint Compo Securities<sup>31</sup>, the following applies:

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) x FX (final) / FX (initial).

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying x FX (final) / FX (initial).]

[In the case of Sprint Cap non-Quanto and Sprint Cap Quanto Securities, the following applies:

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)).

However, the Redemption Amount is not more than the Maximum Amount.

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying.]

[In the case of Sprint Cap Compo Securities<sup>32</sup>, the following applies:

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<sup>30</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency.

<sup>31</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency.

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) x FX (initial) / FX (final).

However, the Redemption Amount is not more than the Maximum Amount.

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying x FX (initial) / FX (final).]

[In the case of Sprint Cap Compo Securities<sup>33</sup>, the following applies:

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) x FX (final) / FX (initial).

However, the Redemption Amount is not more than the Maximum Amount.

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying x FX (final) / FX (initial)]

## § 5

### Issuer's Extraordinary Call Right

*Issuer's extraordinary call right:* Upon the occurrence of a Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and redeem the Securities at their Cancellation Amount. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be. [The application of §§ 313, 314 BGB remains reserved.]

The "**Cancellation Amount**" shall be the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] within ten Banking Days before the extraordinary call becomes effective.

The Cancellation Amount will be paid five Banking Days following the date of the above mentioned notice or on the date specified in such notice, as the case may be, pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

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<sup>32</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

<sup>33</sup> If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

[In the case of Securities with an averaging observation, the following applies:

- (1) Postponement: Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such a postponement, several Observation Dates fall on the same day, then each of those Observation Dates shall be deemed to be an Observation Date for averaging purposes.]
- [(1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Compo Securities, the following applies:

If a FX Market Disruption Event occurs on an FX Observation Date, the respective FX Observation Date will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date or FX Observation Date, as the case may be, shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing

market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.]

[Should the FX Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective FX. The FX required for the calculation or specification of the Redemption Amount shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.]]

## § 8

### Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular the Underlying, the Ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- [(2)] *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made as well as the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

- [(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle:

[(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[(4)] If the Underlying is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]

[In the case of Compo Securities, the following applies:

## § 9

### New FX Fixing Sponsor, Replacement Exchange Rate

- (1) *New FX Fixing Sponsor:* In the event that the FX Exchange Rate is no longer determined and published by the FX Fixing Sponsor, calculations or specifications of the Calculation Agent described in these Terms and Conditions shall occur on the basis of the determinations and publications by another person, company or institution which shall be specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] (the "**New FX Fixing Sponsor**"). In this case each and every reference to the FX Fixing Sponsor in these Terms and Conditions, depending on the context, shall be deemed to refer to the New FX Fixing Sponsor. The New FX Fixing Sponsor and the time of its initial application shall be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Exchange Rate:* In the event that the FX Exchange Rate is no longer determined and published, the calculations or specifications of the Calculation Agent described in these Terms and Conditions shall occur on the basis of an exchange rate determined and published by another method, which will be specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] (the "**Replacement Exchange Rate**"). In case of a Replacement Exchange Rate each and every reference to the FX Exchange Rate, depending on the context, shall be deemed to refer to the Replacement Exchange Rate. The Replacement Exchange Rate and the time of its initial application shall be published in accordance with § 6 of the General Conditions.]

[The application of §§ 313, 314 BGB remains reserved.]]

## Option 5: Garant Basket Securities

[Option 5: In the case of Garant Basket Securities and Garant Cap Basket Securities, the following applies:

### § 1

#### Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event:

"Additional Adjustment Events" means:

the historic volatility of the Basket Component<sub>i</sub> exceeds a volatility level of [Insert volatility level]%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of NAV<sub>i</sub> over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma_i(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{\text{NAV}_i(t-p)}{\text{NAV}_i(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{\text{NAV}_i(t-q)}{\text{NAV}_i(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV<sub>i</sub>(t-k)" (where k = p, q) is NAV<sub>i</sub> of the Basket Component<sub>i</sub> on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of NAV<sub>i</sub> for the most recent [Insert number of days] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in NAV<sub>i</sub> between two consecutive Calculation Dates in each case. The respective volatility determined using this method may not exceed a volatility level of [Insert]%.]

[In the case of an Underlying other than ETF the following applies:

"Adjustment Event" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents<sub>i</sub> without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund<sub>i</sub>, (ii) the investment objectives or investment strategy or investment restrictions of the Fund<sub>i</sub>, (iii) the currency of the Fund Shares<sub>i</sub>, (iv) the method of calculating the NAV<sub>i</sub> or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares<sub>i</sub>;
- (b) requests for the issue, redemption or transfer of Fund Shares<sub>i</sub> are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares<sub>i</sub> (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or Fund Services Provider<sub>i</sub> appointed for this purpose by the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to publish NAV<sub>i</sub> as scheduled or in accordance with normal practice or as specified in Fund Documents<sub>i</sub>;

- (e) a change in the legal form of the Fund<sub>i</sub>;
- (f) a change of significant individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub>;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund<sub>i</sub> or the Management Company<sub>i</sub>; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund<sub>i</sub> or the Management Company<sub>i</sub>; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund<sub>i</sub> by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund<sub>i</sub>, the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub>, or of individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub>; as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the Fund<sub>i</sub> or the Management Company<sub>i</sub> of the investment objectives, the investment strategy or the investment restrictions of the Fund<sub>i</sub> (as defined in the Fund Documents<sub>i</sub>) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares<sub>i</sub>, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares<sub>i</sub> outstanding;
- (l) the Issuer is required to consolidate the Fund<sub>i</sub> as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares<sub>i</sub> for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares<sub>i</sub> or of the redemption of existing Fund Shares<sub>i</sub> or (ii) the reduction of the number of Fund Shares<sub>i</sub> of a shareholder in the Fund<sub>i</sub> for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares<sub>i</sub> or (iv) payments in respect of a redemption of Fund Shares<sub>i</sub> being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (o) the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub> discontinues its services for the Fund<sub>i</sub> or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;

- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund<sub>i</sub> or the Fund Shares<sub>i</sub>, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund<sub>i</sub> or the merger of the Fund<sub>i</sub> into or with another fund, (iii) a requirement to transfer all the Fund Shares<sub>i</sub> to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares<sub>i</sub> by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
- (r) the Issuer loses the right to use the Fund<sub>i</sub> as a Basket Component for the Securities;
- (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund<sub>i</sub> in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Fund<sub>i</sub> or the Management Company<sub>i</sub> has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (u) changes in the investment or distribution policy of the Fund<sub>i</sub> which could have a substantial negative effect on the amount of the Fund<sub>i</sub>'s distributions as well as distributions which diverge significantly from the Fund<sub>i</sub>'s normal distribution policy to date;
- (v) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund<sub>i</sub> in a significant respect or terminates that agreement;
- (w) the Fund<sub>i</sub> or the Management Company<sub>i</sub>, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund<sub>i</sub>'s investment guidelines or restrictions in a timely manner;
- (x) the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on NAV<sub>i</sub> or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) NAV<sub>i</sub> is no longer published in the Underlying Currency,

[In the case of Securities where the volatility is an Additional Adjustment Event:

- (aa) the occurrence of an Additional Adjustment Event].

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

[In the case of ETF as Underlying the following applies:

"**Adjustment Event**" means in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents<sub>i</sub> without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund<sub>i</sub>, (ii) the investment objectives or investment strategy or investment restrictions of the Fund<sub>i</sub>, (iii) the currency of the Fund Shares<sub>i</sub>, (iv) the

- method of calculating the NAV<sub>i</sub> or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares<sub>i</sub>;
- (b) requests for the issue or purchase, redemption or sale or transfer of Fund Shares<sub>i</sub> are executed only partially or not at all;
  - (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares<sub>i</sub> (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
  - (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or a provider of fund services appointed for this purpose by the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to publish the NAV<sub>i</sub> as scheduled or in accordance with normal practice or as specified in the Fund Documents<sub>i</sub>;
  - (e) a change in the legal form of the Fund<sub>i</sub>;
  - (f) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
  - (g) a change of significant individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub>;
  - (h) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
  - (i) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund<sub>i</sub> or of the Management Company<sub>i</sub>; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund<sub>i</sub> or of the Management Company<sub>i</sub>; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund<sub>i</sub> by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund<sub>i</sub>, the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub>, or of individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub> as a result of misconduct, a violation of the law or for similar reasons;
  - (j) a breach by the Fund<sub>i</sub> or the Management Company<sub>i</sub> of the investment objectives, the investment strategy or the investment restrictions of the Fund<sub>i</sub> (as defined in the Fund Documents<sub>i</sub>) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
  - (k) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares<sub>i</sub>, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
  - (l) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
  - (m) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares<sub>i</sub> outstanding;

- (n) the Issuer is required to consolidate the Fund<sub>i</sub> as a result of accounting or other regulations;
- (o) the sale or redemption of the Fund Shares<sub>i</sub> for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (p) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares<sub>i</sub> or of the redemption of existing Fund Shares<sub>i</sub> or (ii) the reduction of the number of Fund Shares<sub>i</sub> of a shareholder in the Fund<sub>i</sub> for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares<sub>i</sub> or (iv) payments in respect of a redemption of Fund Shares<sub>i</sub> being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (q) the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub> discontinues its services for the Fund<sub>i</sub> or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (r) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund<sub>i</sub> or the Fund Shares<sub>i</sub>, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund<sub>i</sub> or the merger of the Fund<sub>i</sub> into or with another fund, (iii) a requirement to transfer all the Fund Shares<sub>i</sub> to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares<sub>i</sub> by the shareholders;
- (s) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
- (t) the Issuer loses the right to use the Fund Share<sub>i</sub> as the Underlying for the Securities;
- (u) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (v) no notification is given of the basis of taxation for the Fund<sub>i</sub> in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund<sub>i</sub> or the Management Company<sub>i</sub> has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (w) changes in the investment or distribution policy of the Fund<sub>i</sub> which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (x) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund<sub>i</sub> in a significant respect or terminates that agreement;
- (y) the Fund<sub>i</sub> or the Management Company<sub>i</sub>, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (z) the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;

- (aa) any other event that could have a noticeable adverse effect on the NAV<sub>i</sub> of the Fund<sub>i</sub> or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (bb) the NAV<sub>i</sub> is no longer published in the Underlying Currency,

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

**"Administrator<sub>i</sub>"** means the Administrator<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as Administrator of the Fund<sub>i</sub>, each and every reference to Administrator<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

**"Aggregate Nominal Amount"** means the Aggregate Nominal Amount of the series as specified in § 1 of the Product and Underlying Data.

**"Auditor<sub>i</sub>"** means the Auditor<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as the Auditor of the Fund<sub>i</sub>, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

**"Basket Component<sub>i</sub>"** means the respective Fund Share<sub>i</sub> as specified in § 1 of the Product and Underlying Data (and collectively the "**Basket Components**").

[In the case of Securities with a Best-in feature, the following applies:

**"Best-in Period"** means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out feature, the following applies:

**"Best-out Period"** means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

**"Calculation Agent"** means the Calculation Agent as specified in § 2 (2) of the General Conditions.

**"Calculation Date"** means each day on which the Reference Price<sub>i</sub> is normally published by the respective Fund<sub>i</sub> or of the respective Management Company<sub>i</sub>.

**"Change in Law"** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- (i) the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [*Insert other Clearing System(s)*].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares<sub>i</sub> and specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

"**Currency of the Basket Component<sub>i</sub>**" means the Currency of the Basket Component<sub>i</sub> as specified in § 2 of the Product and Underlying Data.

"**Conversion Event**" means Fund Conversion Event.

"**Custodian Bank<sub>i</sub>**" means the Custodian Bank<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund<sub>i</sub>, each and every reference to the Custodian Bank<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of ETF as Underlying the following applies:

"**Determining Futures Exchange**" means the futures exchange, on which respective derivatives of the Underlying (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.]

[In the case of ETF as Underlying the following applies:

"**Exchange Traded Fund**" means a Fund specified as Exchange Traded Fund in § 2 of the

Product and Underlying Data.]

[In the case of Securities with a final reference price feature, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with a final average feature, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Best-out feature, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out feature, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified in § 1 of the Product and Underlying Data.]

"**Floor Level**" means the Floor Level as specified in § 1 of the Product and Underlying Data.

"**Fund<sub>i</sub>**" means, in relation to a Fund Share<sub>i</sub>, the investment fund issuing that Fund Share<sub>i</sub> or the Fund<sub>i</sub> in whose assets the Fund Share<sub>i</sub> represents a proportional interest.

"**Fund Conversion Event**" means each of the following events:

(a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (respectively a "**Fund Replacement Event**");

[(b) in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent no Replacement Basket Component is available;]

[(b)] [(c)] in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent no Replacement Management Company<sub>i</sub> is available;

[(c)] [(d)] a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur(s).

"**Fund Documents<sub>i</sub>**" means, in relation to a Fund<sub>i</sub>, in each case, if available and in the respective valid version: the annual report, the half-yearly report[, the interim reports], the sales prospectus, the terms and conditions of the Fund<sub>i</sub>, as well as, if applicable, the articles of association, the key investor information document and all other documents of the Fund<sub>i</sub> in which the terms and conditions of the Fund<sub>i</sub> and of the Fund Shares<sub>i</sub> are specified.

"**Fund Management<sub>i</sub>**" means the persons responsible for the portfolio and/or the risk management of the Fund<sub>i</sub>.

"**Fund Services Provider<sub>i</sub>**" means, if available, the Administrator<sub>i</sub>, the Investment Adviser<sub>i</sub>, the Custodian Bank<sub>i</sub>, the Management Company<sub>i</sub>, the Portfolio Manager<sub>i</sub> and the Auditor<sub>i</sub>.

"**Fund Share<sub>i</sub>**" means a unit or share of the Fund<sub>i</sub> and of the class set out in § 1 of the Product and Underlying Data.

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or

(b) realise, reclaim or pass on proceeds from such transactions or assets.

**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or

(b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Investment Adviser<sub>i</sub>"** means the Investment Adviser<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution [as so specified in the "Investment Adviser<sub>i</sub>" column] as the Investment Adviser<sub>i</sub> of the Fund<sub>i</sub>, each and every reference to the Investment Adviser<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where  $K_i$  (initial) has already been specified, the following applies:

**" $K_i$  (initial)"** means  $K_i$  (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price feature, the following applies:

**" $K_i$  (initial)"** means the Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> on the Initial Observation Date.]

[In the case of Securities with an initial average feature, the following applies:

**" $K_i$  (initial)"** means the equally weighted average of the Reference Prices<sub>i</sub> of the Basket Component<sub>i</sub> determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in feature, the following applies:

**" $K_i$  (initial)"** means the highest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Best-in Period.]

[In the case of Securities with a Worst-in feature, the following applies:

**" $K_i$  (initial)"** means the lowest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Worst-in Period.]

[In the case of Securities with a final reference price feature, the following applies:

**" $K_i$  (final)"** means the Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> on the Final Observation Date.]

[In the case of Securities with a final average feature, the following applies:

**" $K_i$  (final)"** means the equally weighted average of the Reference Prices<sub>i</sub> of the Basket Component<sub>i</sub> determined on the Final Observation Dates.]

[In the case of Securities with a Best-out feature, the following applies:

**" $K_i$  (final)"** means the highest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Best-out Period.]

[In the case of Securities with a Worst-out feature, the following applies:

"**K<sub>i</sub> (final)**" means the lowest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Worst-out Period.]

[In the case of Securities with a Best-in feature, the following applies:

"**Last Day of the Best-in Period**" means the Last Day of the Best-in Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-in feature, the following applies:

"**Last Day of the Worst-in Period**" means the Last Day of the Worst-in Period specified in § 1 of the Product and Underlying Data.]

"**Management Company<sub>i</sub>**" means the Management Company<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> specifies another person, company or institution as so specified in the "Management Company" column as the Management Company<sub>i</sub> of the Fund<sub>i</sub> each and every reference to the Management Company<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company<sub>i</sub>.

"**Market Disruption Event**" means any of the following events:

[In the case of an Underlying other than ETF the following applies:(a) the failure to calculate or the non-publication of the calculation of the NAV<sub>i</sub> as a result of a decision by the Management Company<sub>i</sub> or by the Fund Services Provider<sub>i</sub> on behalf of the Management Company<sub>i</sub>,

- (b) the closure, conversion or insolvency of the Fund<sub>i</sub> or other circumstances which make it impossible to determine the NAV<sub>i</sub>, or
- (c) it is not possible to trade Fund Shares<sub>i</sub> at the NAV<sub>i</sub>. This also covers cases in which the Fund<sub>i</sub> or the Management Company<sub>i</sub> or the Fund Services Provider<sub>i</sub> on their behalf decides to suspend the redemption or issue of the Fund Shares<sub>i</sub> for a specified period or to restrict the redemption or issue of the Fund Shares<sub>i</sub> to a specified portion of the volume of the Fund<sub>i</sub> or to levy additional fees, or
- (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> redeems the Fund Shares<sub>i</sub> in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund<sub>i</sub> are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.]

[In the case of ETF as Underlying the following applies:

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point in time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

"**Maturity Date**" means the Maturity Date as specified in § 1 of the Product and Underlying Data.

[In the case of Garant Cap Rainbow Securities, the following applies:

"**Maximum Amount**" means the Maximum Amount as specified in § 1 of the Product and Underlying Data.]

"**Minimum Amount**" means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

"**N**" means the number of the Basket Components as specified in § 1 of the Product and Underlying Data.

"**NAV<sub>i</sub>**" means the official net asset value (the "**Net Asset Value**") for a Fund Share<sub>i</sub> as published by the Fund<sub>i</sub> or the Management Company<sub>i</sub> or by a third person on their behalf and at which it is actually possible to redeem the Fund Shares<sub>i</sub>.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price feature with postponement of the Observation Date of all Basket Components, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial reference price feature with postponement of the Observation Date of the respective Basket Components, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the Initial Observation Date for the corresponding Basket Component<sub>i</sub>.]

[In the case of Securities with an initial average feature and postponement of the Observation Date of all Basket Components, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corresponding Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial average feature and postponement of the Observation Date of the respective Basket Components, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the corresponding Initial Observation Date for the corresponding Basket Component<sub>i</sub>.]

[In the case of Securities with a final reference price feature with postponement of the Observation Date of all Basket Components, the following applies:

"**Final Observation Date**" means the Final Observation Date as in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Final Observation Date for all Basket Com-

ponents. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final reference price feature with postponement of the Observation Date of the respective Basket Components, the following applies:

**"Final Observation Date"** means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the Final Observation Date for the corresponding Basket Component<sub>i</sub>. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final average feature with postponement of the Observation Date of all Basket Components, the following applies:

**"Final Observation Date"** means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corresponding Final Observation Date for all Basket Components. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average feature with postponement of the Observation Date of the respective Basket Components, the following applies:

**"Final Observation Date"** means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the corresponding Final Observation Date for the corresponding Basket Component<sub>i</sub>. If the last Final Observation Date for a Basket Component is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

**"Participation Factor"** means the Participation Factor as specified in § 1 of the Product and Underlying Data.

**"Performance of the Basket Component<sub>i</sub> (Performance<sub>i</sub>)"** means the Performance of the Basket Component<sub>i</sub>, determined from the quotient of K<sub>i</sub> (final), as the numerator, and K<sub>i</sub> (initial), as the denominator.

**"Performance of the Underlying"** means the Performance of the Underlying in accordance with the following formula:

Performance of the Underlying =  $\sum_{i=1}^N$  (Performance<sub>i</sub> x W<sub>i</sub>)

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 1 of the Product and Underlying Data.

**"Portfolio Manager<sub>i</sub>"** means the Portfolio Manager<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as so specified in the "Portfolio Manager<sub>i</sub>" column as the Portfolio Manager<sub>i</sub> of the Fund<sub>i</sub>, each and every reference to the Portfolio Manager<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

**"Redemption Amount"** means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

**"Reference Price<sub>i</sub>"** means the Reference Price<sub>i</sub> as specified in § 1 of the Product and Underlying Data.

[In the case of ETF as Underlying the following applies:

**"Relevant Exchange"** means the Relevant Exchange [as specified in § 2 of the Product and Underlying Data].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

**"Security Holder"** means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

**"Settlement Cycle"** means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares<sub>i</sub> will customarily occur according to the rules of the Clearance System.]

**"Specified Currency"** means the Specified Currency as specified in § 1 of the Product and Underlying Data.

**"Strike"** means the Strike as specified in § 1 of the Product and Underlying Data.

**"Terms and Conditions"** means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

**"Underlying"** means a basket consisting of the Basket Components.

**"Website[s] of the Issuer"** means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

**"Website[s] for Notices"** means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

**"Weighting; (W<sub>i</sub>)"** means the Weighting allocated to the Basket Component<sub>i</sub> as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in feature, the following applies:

**"Worst-in Period"** means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out feature, the following applies:

**"Worst-out Period"** means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

## § 2

### Interest

The Securities do not bear interest.

## § 3

### Redemption

*Redemption:* The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.

## § 4

### Redemption Amount

*Redemption Amount:* The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Garant Basket Securities with a Nominal Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Cap Basket Securities with a Nominal Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

## § 5

### Issuer's Conversion Right

*Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to

the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.

- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

*[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:*

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

*[In the case of Securities with postponement of the Observation Date of all Basket Components, the following applies:*

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed for all Basket Components to the next following Calculation Date, which is a Calculation Date for all Basket Components and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

*[In the case of Securities with postponement of the Observation Date of the respective Basket Components, the following applies:*

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed for the respective Basket Component<sub>i</sub> to the next following Calculation Date, which is a Calculation Date for the Basket Component and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* the respective Reference Price<sub>i</sub> required for the calculations or specifications described in the Terms and Conditions. Such Reference Price<sub>i</sub> shall be determined in accordance with prevailing market conditions at *[Insert time and financial centre]* on this *[Insert number of the following Banking Day]* Banking Day, taking into account the financial position of the Security Holders.]

## § 8

### Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* adjust these Terms and Conditions (in particular the respective Basket Component<sub>i</sub>, the Ratio and/or all prices of the Basket Component<sub>i</sub> specified by the Issuer) and/or all prices of the

respective Basket Component<sub>i</sub>, determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the respective Basket Component<sub>i</sub>. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.

- [(2) *Replacement Basket Component*: In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund<sub>i</sub> or Fund Share<sub>i</sub> should be used in the future as the respective Basket Component<sub>i</sub> (the "**Replacement Basket Component**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Basket Component<sub>i</sub>, the ratio and/or all prices of the respective Basket Component<sub>i</sub> specified by the Issuer) and/or all prices of the Basket Component<sub>i</sub> determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Basket Component and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Basket Component, any reference to the Basket Component<sub>i</sub> in these Terms and Conditions shall be deemed to refer to the Replacement Basket Component, unless the context provides otherwise.]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- [(2)] [(3)] *Replacement Specification*: If a NAV<sub>i</sub>, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company<sub>i</sub> after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component<sub>i</sub>, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- [(2)] [(3)] *Replacement Specification*: If a NAV<sub>i</sub>, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company<sub>i</sub> after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component<sub>i</sub>, then the relevant value will not be specified again.]

- [(4)] If the Basket Component<sub>i</sub> is no longer calculated by the Management Company<sub>i</sub> but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]]



## Option 6: Garant Rainbow Securities

[Option 6: In the case of Garant Rainbow Securities and Garant Cap Rainbow Securities, the following applies:

### § 1

#### Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event:

"Additional Adjustment Events" means:

the historic volatility of the Basket Component<sub>i</sub> exceeds a volatility level of [Insert volatility level]%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of NAV<sub>i</sub> over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma_i(t) = \sqrt{\frac{\left[ \sum_{p=1}^P \ln \left[ \frac{\text{NAV}_i(t-p)}{\text{NAV}_i(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{\text{NAV}_i(t-q)}{\text{NAV}_i(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV<sub>i</sub>(t-k)" (where k = p, q) is NAV<sub>i</sub> of Basket Component<sub>i</sub> on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of NAV<sub>i</sub> for the most recent [Insert number of days] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in NAV<sub>i</sub> between two consecutive Calculation Dates in each case. The respective volatility determined using this method may not exceed a volatility level of [Insert]%.]

[In the case of an Underlying other than ETF the following applies:"Adjustment Event" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents<sub>i</sub> without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund<sub>i</sub>, (ii) the investment objectives or investment strategy or investment restrictions of the Fund<sub>i</sub>, (iii) the currency of the Fund Shares<sub>i</sub>, (iv) the method of calculating the NAV<sub>i</sub> or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares<sub>i</sub>;
- (b) requests for the issue, redemption or transfer of Fund Shares<sub>i</sub> are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares<sub>i</sub> (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or the Fund Services Provider<sub>i</sub> appointed for this purpose by the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to publish the NAV<sub>i</sub> as scheduled or in accordance with normal practice or as specified in Fund Documents<sub>i</sub>;
- (e) a change in the legal form of the Fund<sub>i</sub>;

- (f) a change of significant individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub> of the Fund<sub>i</sub>;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund<sub>i</sub> or the Management Company<sub>i</sub>; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund<sub>i</sub> or the Management Company<sub>i</sub>; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund<sub>i</sub> by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund<sub>i</sub>, the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub>, or of individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub> as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the Fund<sub>i</sub> or the Management Company<sub>i</sub> of the investment objectives, the investment strategy or the investment restrictions of the Fund<sub>i</sub> (as defined in Fund Documents<sub>i</sub>) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares<sub>i</sub>, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares<sub>i</sub> outstanding;
- (l) the Issuer is required to consolidate the Fund<sub>i</sub> as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares<sub>i</sub> for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares<sub>i</sub> or of the redemption of existing Fund Shares<sub>i</sub> or (ii) the reduction of the number of Fund Shares<sub>i</sub> of a shareholder in the Fund<sub>i</sub> for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of Fund Shares<sub>i</sub> or (iv) payments in respect of a redemption of the Fund Shares<sub>i</sub> being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (o) the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub> discontinues its services for the Fund<sub>i</sub> or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund<sub>i</sub> or the Fund Shares<sub>i</sub>, (ii) the ini-

tiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund<sub>i</sub> or the merger of the Fund<sub>i</sub> into or with another fund, (iii) a requirement to transfer all the Fund Shares<sub>i</sub> to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares<sub>i</sub> by the shareholders;

- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company<sub>i</sub>;
- (r) the Issuer loses the right to use the Fund<sub>i</sub> as a Basket Component for the Securities;
- (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund<sub>i</sub> in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Fund<sub>i</sub> or the Management Company<sub>i</sub> has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (u) changes in the investment or distribution policy of the Fund<sub>i</sub> which could have a substantial negative effect on the amount of the Fund<sub>i</sub>'s distributions as well as distributions which diverge significantly from the Fund<sub>i</sub>'s normal distribution policy to date;
- (v) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund<sub>i</sub> in a significant respect or terminates that agreement;
- (w) the Fund<sub>i</sub> or the Management Company<sub>i</sub>, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund<sub>i</sub>'s investment guidelines or restrictions in a timely manner;
- (x) the Fund or the Management Company<sub>i</sub> fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on NAV<sub>i</sub> or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) NAV<sub>i</sub> is no longer published in the Underlying Currency,

[In the case of Securities where the volatility is an Additional Adjustment Event:

- (aa) the occurrence of an Additional Adjustment Event].

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

[In the case of ETF as Underlying the following applies:

"**Adjustment Event**" means in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;

- (b) requests for the issue or purchase, redemption or sale or transfer of Fund Shares are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or a provider of fund services appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
- (g) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (h) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (i) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (j) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (k) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (l) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (m) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (n) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;

- (o) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (p) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (q) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (r) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (s) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (t) the Issuer loses the right to use the Fund Share as the Underlying for the Securities;
- (u) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (v) no notification is given of the basis of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (w) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (x) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (y) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (z) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (aa) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (bb) the NAV is no longer published in the Underlying Currency,

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

**"Administrator<sub>i</sub>"** means the Administrator<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as Administrator of the Fund<sub>i</sub>, each and every reference to Administrator<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

**"Aggregate Nominal Amount"** means the Aggregate Nominal Amount of the series as specified in § 1 of the Product and Underlying Data.

**"Auditor<sub>i</sub>"** means the Auditor<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as the Auditor of the Fund<sub>i</sub>, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("TARGET2") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

**"Basket Component<sub>i</sub>"** means the respective Fund Share as specified in § 1 of the Product and Underlying Data (and collectively the **"Basket Components"**).

**"Basket Component<sub>i best</sub>"** means the following Basket Component<sub>i</sub>:

**"Basket Component<sub>i best</sub>"** (where  $i = 1$ ) means the Basket Component<sub>i</sub> with the Best Performance.

**"Basket Component<sub>i best</sub>"** (where  $i = 2, \dots, N$ ) means the Basket Component<sub>i</sub> that is different from all Basket Components<sub>j best</sub> (where  $j = 1, \dots, (i-1)$ ) with the Best Performance.

[In the case of Securities with a Best-in feature, the following applies:

**"Best-in Period"** means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out feature, the following applies:

**"Best-out Period"** means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

**"Best Performance"** means the Performance of Basket Component<sub>i</sub> for which the following applies:

$$\text{Performance of Basket Component}_j = \max \left[ \frac{K_i(\text{final})}{K_i(\text{initial})} \right] (\text{mit } i = 1, \dots, N)$$

**"Calculation Agent"** means the Calculation Agent as specified in § 2 (2) of the General Conditions.

**"Calculation Date"** means each day on which the Reference Price<sub>i</sub> is normally published by the respective Fund<sub>i</sub> or of the respective Management Company<sub>i</sub>.

**"Change in Law"** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- [(i)] the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

[In the case of Securities with CBF as Clearing System, the following applies:

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

**"Clearing System"** means Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("Euroclear Bank") (CBL and Euroclear are individually referred to as an "ICSD" (International Central Securities Depository) and, collectively, the "ICSDs").]

[In the case of Securities with another Clearing System, the following applies:

**"Clearing System"** means [*Insert other Clearing System(s)*].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

**"Clearance System"** means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

**"Clearance System Business Day"** means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

**"Conversion Event"** means Fund Conversion Event.

**"Currency of the Basket Component<sub>i</sub>"** means the Currency of the Basket Component<sub>i</sub> as specified [in the "Currency of the Basket Component<sub>i</sub>" column in Table 2.1] in § 2 of the Product and Underlying Data.

**"Custodian Bank<sub>i</sub>"** means the Custodian Bank<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund<sub>i</sub>, each and every reference to the Custodian Bank<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of ETF as Underlying the following applies:

**"Determining Futures Exchange"** means the futures exchange, on which respective derivatives of the Underlying (the "Derivatives") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.]

[In the case of ETF as Underlying the following applies:

"**Exchange Traded Fund**" means a Fund specified as Exchange Traded Fund in § 2 of the Product and Underlying Data.]

[In the case of Securities with a final reference price feature, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with a final average feature, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Best-out feature, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out feature, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified in § 1 of the Product and Underlying Data.]

"**Floor Level**" means the Floor Level as specified in § 1 of the Product and Underlying Data.

"**Fund<sub>i</sub>**" means, in relation to a Fund Share<sub>i</sub>, the investment fund issuing that Fund Share<sub>i</sub> or the Fund<sub>i</sub> in whose assets the Fund Share<sub>i</sub> represents a proportional interest.

"**Fund Conversion Event**" means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (respectively a "**Fund Replacement Event**");
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Basket Component is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company<sub>i</sub> is available;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur(s).

"**Fund Documents<sub>i</sub>**" means, in relation to a Fund<sub>i</sub>, in each case, if available and in the respective valid version: the annual report, the half-yearly report[, the interim reports], the sales prospectus, the terms and conditions of the Fund<sub>i</sub> as well as, if applicable, the articles of association or shareholder agreement, the key investor information document and all other documents of the Fund<sub>i</sub> in which the terms and conditions of the Fund<sub>i</sub> and of the Fund Shares<sub>i</sub> are specified.

"**Fund Management<sub>i</sub>**" means the persons responsible for the portfolio and/or the risk management of the Fund<sub>i</sub>.

**"Fund Services Provider<sub>i</sub>,"** means, if available, the Administrator<sub>i</sub>, the Investment Adviser<sub>i</sub>, the Custodian Bank<sub>i</sub>, the Management Company<sub>i</sub>, the Portfolio Manager<sub>i</sub> and the Auditor<sub>i</sub>.

**"Fund Share<sub>i</sub>,"** means a unit or share of the Fund<sub>i</sub> and of the class set out [in the "Basket Component<sub>i</sub>" column in Table [●]] in § 1 of the Product and Underlying Data.

**"Hedging Disruption"** means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Investment Adviser<sub>i</sub>,"** means the Investment Adviser<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution [as so specified in the "Investment Adviser<sub>i</sub>" column] as the Investment Adviser<sub>i</sub> of the Fund<sub>i</sub>, each and every reference to the Investment Adviser<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:]

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where  $K_i$  (initial) has already been specified, the following applies:]

**" $K_i$  (initial)"** means  $K_i$  (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price feature, the following applies:]

**" $K_i$  (initial)"** means the Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> on the Initial Observation Date.]

[In the case of Securities with an initial average feature, the following applies:]

**" $K_i$  (initial)"** means the equally weighted average of the Reference Prices<sub>i</sub> of the Basket Component<sub>i</sub> determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in feature, the following applies:]

**" $K_i$  (initial)"** means the highest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Best-in Period.]

[In the case of Securities with a Worst-in feature, the following applies:]

**" $K_i$  (initial)"** means the lowest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Worst-in Period.]

"**K<sub>i best</sub> (initial)**" means K<sub>i</sub> (initial) of the Basket Component<sub>i best</sub>.

[In the case of Securities with a final reference price feature, the following applies:]

"**K<sub>i</sub> (final)**" means the Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> on the Final Observation Date.]

[In the case of Securities with a final average feature, the following applies:]

"**K<sub>i</sub> (final)**" means the equally weighted average of the Reference Prices<sub>i</sub> of the Basket Component<sub>i</sub> determined on the Final Observation Dates.]

[In the case of Securities with a Best-out feature, the following applies:]

"**K<sub>i</sub> (final)**" means the highest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Best-out Period.]

[In the case of Securities with a Worst-out feature, the following applies:]

"**K<sub>i</sub> (final)**" means the lowest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Worst-out Period.]

"**K<sub>i best</sub> (final)**" means K<sub>i</sub> (final) of the Basket Component<sub>i best</sub>.

[In the case of Securities with a Best-in feature, the following applies:]

"**Last Day of the Best-in Period**" means the Last Day of the Best-in Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-in feature, the following applies:]

"**Last Day of the Worst-in Period**" means the Last Day of the Worst-in Period specified in § 1 of the Product and Underlying Data.]

"**Management Company<sub>i</sub>**" means the Management Company<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund<sub>i</sub> of the Fund specifies another person, company or institution as so specified in the "Management Company" column as the Management Company of the Fund<sub>i</sub>, each and every reference to the Management Company<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"**Market Disruption Event**" means any of the following events:

[In the case of an Underlying other than ETF the following applies:]

- (a) the failure to calculate or the non-publication of the calculation of the NAV<sub>i</sub> as a result of a decision by the Management Company or the Fund Services Provider on behalf of the Management Company,
- (b) the closure, conversion or insolvency of the Fund<sub>i</sub> or other circumstances which make it impossible to determine the NAV<sub>i</sub>, or
- (c) it is not possible to trade Fund Shares<sub>i</sub> at the NAV<sub>i</sub>. This also covers cases in which the Fund<sub>i</sub> or the Management Company<sub>i</sub> or a Fund Services Provider on their behalf decides to suspend the redemption or issue of the Fund Shares<sub>i</sub> for a specified period or to restrict the redemption or issue of the Fund Shares<sub>i</sub> to a specified portion of the volume of the Fund<sub>i</sub> or to charge additional fees, or
- (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund<sub>i</sub> are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent.]

[In the case of ETF as Underlying the following applies:

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point in time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

"**Maturity Date**" means the Maturity Date as specified in § 1 of the Product and Underlying Data.

[In the case of Garant Cap Rainbow Securities, the following applies:

"**Maximum Amount**" means the Maximum Amount as specified in § 1 of the Product and Underlying Data.]

"**Minimum Amount**" means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

"**N**" means the number of the Basket Components as specified in § 1 of the Product and Underlying Data.

"**NAV<sub>i</sub>**" means the official net asset value (the "**Net Asset Value**") for a Fund Share<sub>i</sub> as published by the Fund<sub>i</sub> or the Management Company<sub>i</sub> or by a third person on their behalf and at which it is actually possible to redeem the Fund Shares<sub>i</sub>.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price feature with postponement of the Observation Date of all Basket Components, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial reference price feature with postponement of the Observation Date of the respective Basket Components, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the Initial Observation Date for the corresponding Basket Component<sub>i</sub>.]

[In the case of Securities with an initial average feature and postponement of the Observation Date of all Basket Components, the following applies:

**"Initial Observation Date"** means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corresponding Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial average feature and postponement of the Observation Date of the respective Basket Components, the following applies:

**"Initial Observation Date"** means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the corresponding Initial Observation Date for the corresponding Basket Component<sub>i</sub>.]

[In the case of Securities with a final reference price feature with postponement of the Observation Date of all Basket Components, the following applies:

**"Final Observation Date"** means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Final Observation Date for all Basket Components. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final reference price feature with postponement of the Observation Date of the respective Basket Components, the following applies:

**"Final Observation Date"** means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the Final Observation Date for the corresponding Basket Component<sub>i</sub>. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final average feature with postponement of the Observation Date of all Basket Components, the following applies:

**"Final Observation Date"** means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corresponding Final Observation Date for all Basket Components. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final average feature with postponement of the Observation Date of the respective Basket Components, the following applies:

**"Final Observation Date"** means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the corresponding Final Observation Date for the corresponding Basket Component<sub>i</sub>. If the last Final Observation Date for a Basket Component is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

**"Participation Factor"** means the Participation Factor as specified in § 1 of the Product and Underlying Data.

**"Performance<sub>i best</sub>"** means the Performance of the Basket Component<sub>i best</sub>, determined from the quotient of  $K_{i best}$  (final), as the numerator, and  $K_{i best}$  (initial), as the denominator.

**"Performance of Basket Component<sub>i</sub>"** means the Performance of the Basket Component<sub>i</sub>, determined from the quotient of K<sub>i</sub> (final), as the numerator, and K<sub>i</sub> (initial), as the denominator.

**"Performance of the Underlying"** means the Performance of the Underlying in accordance with the following formula:

$$\text{Performance of the Underlying} = \sum_{i=1}^N (\text{Performance}_{i \text{ best}} \times W_{i \text{ best}})$$

**"Portfolio Manager<sub>i</sub>"** means the Portfolio Manager<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as so specified in the "Portfolio Manager<sub>i</sub>" column as the Portfolio Manager<sub>i</sub> of the Fund<sub>i</sub>, each and every reference to the Portfolio Manager<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

**"Redemption Amount"** means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

**"Reference Price<sub>i</sub>"** means the Reference Price<sub>i</sub> as specified in § 1 of the Product and Underlying Data.

[In the case of ETF as Underlying the following applies:]

**"Relevant Exchange"** means the Relevant Exchange [as specified in § 2 of the Product and Underlying Data].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

**"Security Holder"** means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:]

**"Settlement Cycle"** means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

**"Specified Currency"** means the Specified Currency as specified in § 1 of the Product and Underlying Data.

**"Strike"** means the Strike as specified in § 1 of the Product and Underlying Data.

**"Terms and Conditions"** means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

**"Underlying"** means a basket consisting of the Basket Components.

**"Website[s] of the Issuer"** means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

**"Website[s] for Notices"** means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

**"Weighting<sub>i best</sub> (W<sub>i best</sub>)"** means the Weighting allocated to the respective Basket Component<sub>i best</sub> as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in feature, the following applies:]

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out feature, the following applies:]

"**Worst-out Period**" means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

## § 2

### Interest

The Securities do not bear interest.

## § 3

### Redemption

*Redemption:* The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.

## § 4

### Redemption Amount

*Redemption Amount:* The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Garant Rainbow Securities with a Nominal Amount, the following applies:]

Redemption Amount = Nominal Amount x [Floor Level + Participation Factor x (Performance of the Underlying – Strike)].

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Cap Rainbow Securities with a Nominal Amount, the following applies:]

Redemption Amount = Nominal Amount x [Floor Level + Participation Factor x (Performance of the Underlying – Strike)].

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

## § 5

### Issuer's Conversion Right

*Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

[In the case of Securities with postponement of the Observation Date of all Basket Components, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed for all Basket Components to the next following Calculation Date, which is a Calculation Date for all Basket Components and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Securities with postponement of the Observation Date of the respective Basket Components, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed for the respective Basket Component to the next following Calculation Date,

which is a Calculation Date for the Basket Component and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective Reference Price<sub>i</sub> required for the calculations or specifications described in the Terms and Conditions. Such Reference Price<sub>i</sub> shall be determined in accordance with prevailing market conditions at [*Insert time and financial centre*] on this [*Insert number of the following Banking Day*] Banking Day, taking into account the financial position of the Security Holders.]

Should the FX Market Disruption Event continue for more than [*Insert number of Banking Days*] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective FX. The FX required for the calculation or, respectively, specification of the Redemption Amount shall be determined in accordance with prevailing market conditions at [*Insert time and financial centre*] on this [*Insert number of the following Banking Day*] Banking Day, taking into account the financial position of the Security Holders.]

## § 8

### Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular the respective Basket Component<sub>i</sub>, the Ratio and/or all prices of the Basket Component<sub>i</sub>, specified by the Issuer) and/or all prices of the Basket Component<sub>i</sub>, determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the respective Basket Component<sub>i</sub>. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Basket Component:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the respective Basket Component<sub>i</sub> (the "**Replacement Basket Component**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Basket Component<sub>i</sub>, the ratio and/or all prices of the respective Basket Component<sub>i</sub>, specified by the Issuer) and/or all prices of the Basket Component<sub>i</sub>, determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Basket Component and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Basket Component, any reference to the Basket Component<sub>i</sub> in these Terms and Conditions shall be deemed to refer to the Replacement Basket Component, unless the context provides otherwise.]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected**

**Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

[(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component, then the relevant value will not be specified again.]

[(4)] If the Basket Component<sub>i</sub> is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]]

## Option 7: Fund Index Performance Telescope Securities

### [OPTION 7: IN THE CASE OF FUND INDEX PERFORMANCE TELESCOPE SECURITIES AND FUND INDEX PERFORMANCE TELESCOPE CAP SECURITIES, THE FOLLOWING APPLIES:]

#### § 1

#### Definitions

"**Additional Amount (k)**" means the Additional Amount (k) as calculated or determined by the Calculation Agent pursuant to § 2 of the Special Conditions.

"**Additional Amount Payment Date (k)**" means the Additional Amount Payment Date (k) as specified in § 1 of the Product and Underlying Data.

"**Adjustment Event**" means each Index Adjustment Event and Fund Adjustment Event.

"**Administrator**" means the Administrator if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund, each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified in § 1 of the Product and Underlying Data.

"**Auditor**" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents for the purpose of auditing the Reference Fund in connection with the annual report.

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("TARGET2") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:]

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive)].

"**Calculation Agent**" means the Calculation Agent as specified in § 2 (2) of the General Conditions.

"**Calculation Date**" means each day on which the Reference Price is normally published as scheduled by the Index Sponsor or the Index Calculation Agent.

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- (i) the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

*[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:*

**"Clearance System"** means the principal domestic clearance system customarily used for settling trades in respect of the securities that form the basis of the Underlying and determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

**"Clearance System Business Day"** means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

*[In the case of Securities with CBF as Clearing System, the following applies:*

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

*[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:*

**"Clearing System"** means Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

*[In the case of Securities with another Clearing System, the following applies:*

**"Clearing System"** means [*Insert other Clearing System (s)*].]

**"Conversion Event"** means any of the following events:

- (a) a Fund Conversion Event;
- (b) an Index Conversion Event;
- (c) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur(s).

**"Custodian Bank"** means, in relation to a Reference Fund, a person, company or institution acting as custodian of the Reference Fund's assets according to the Fund Documents.

**"D (k)"** means the denominator attributed to the respective Observation Date (k) as specified in § 1 of the Product and Underlying Data.

*[In the case of Securities with final Reference Price observation, the following applies:*

**"Exercise Date"** means the Final Observation Date.]

*[In the case of Securities with final average observation, the following applies:*

**"Exercise Date"** means the last Final Observation Date.]

**"Final Strike Level"** means the Final Strike Level as specified in § 1 of the Product and Underlying Data.

**"First Trade Date"** means the First Trade Date as specified in § 1 of the Product and Underlying Data.

**"Floor Level"** means the Floor Level as specified in § 1 of the Product and Underlying Data.

**"Fund Adjustment Event"** means:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer and/or the Hedging Party to comply with the terms of its hedging transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency of the Fund Shares, (iv) the respective method of calculating the net asset value or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;
- (b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees existing at the date the Reference Fund and where included in the Underlying);
- (d) the Reference Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Reference Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) (i) a change in the legal, accounting, tax or regulatory treatment of the Reference Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Reference Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Reference Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings, a conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company or a Fund Services Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- (f) a breach of the investment objectives or the investment restrictions of the Reference Fund (as defined in the Fund Documents) or a breach of statutory or regulatory requirements by the Reference Fund or the Management Company;
- (g) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer or the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer or the Hedging Party with respect to its hedging transactions to an extent that is significant in comparison with the conditions applying on the First Trade Date;
- (h) an increase in the proportion of the volume held by the Issuer and the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into hedging transactions beyond [*Insert relevant percentage*]% of the outstanding Fund Shares in the Reference Fund;
- (i) the Issuer or the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
- (j) the sale or redemption of Fund Shares for reasons affecting the Issuer or the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (k) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons outside the control of that shareholder, (iii) the subdivision,

consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;

- (l) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer, the Hedging Party or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (m) no notification is given of the bases of taxation for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Reference Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;
- (n) the Reference Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Index Calculation Agent, the Issuer or the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
- (o) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- (p) the Reference Fund or the Management Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (q) any other event that could have a noticeable adverse effect on the net asset value of the Reference Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;

to the extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], the financial position of a hypothetical investor or of the Hedging Party or of the Security Holders suffers a significant adverse change as a result.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

A "**Fund Conversion Event**" exists if an adjustment pursuant to § 8 (2) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders.

"**Fund Documents**" means, in relation to a Reference Fund, – in each case, if available and in the respective most recent version – the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund [if applicable the articles of association], the key investor information and all other documents of the Reference Fund in which the terms and conditions of the Reference Fund and of the Fund Shares are specified.

"**Fund Services Provider**" means, if available, in relation to a Reference Fund, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor of the Reference Fund.

"**Fund Share**" means an Index Component which is a share in a Fund.

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or

(b) realise, reclaim or pass on proceeds from such transactions or assets.

**"Hedging Party"** means the Hedging Party as specified in § 1 of the Product and Underlying Data. The Calculation Agent shall be entitled to specify another person or company as the Hedging Party (the **"Successor Hedging Party"**) at any time. The Calculation Agent shall give notice of the specification of a Successor Hedging Party pursuant to § 6 of the General Conditions. In this case each and every reference to the Hedging Party in these Terms and Conditions, depending on the context, shall be deemed to refer to the Successor Hedging Party.]

**["Income Payment Event"** means that R (k), as determined on the respective Observation Date (k), is greater than the Strike.]

**["Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or

(b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Index Adjustment Event"** means any of the following events:

(a) changes in the relevant Index Concept or the calculation of the Underlying that, in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;

(b) the calculation or publication of the Underlying is permanently discontinued or it is replaced by another index (the **"Index Replacement Event"**);

(c) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying;

(d) the Reference Price is no longer published in the Underlying Currency.

**"Index Calculation Agent"** means the Index Calculation Agent as specified in § 2 of the Product and Underlying Data.

**"Index Component"** means, in relation to the Underlying, an asset or a reference value which is incorporated in the calculation of the Underlying at the relevant time.

**"Index Conversion Event"** means each of the following events:

(a) an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;

(b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no suitable Replacement Underlying is available;

(c) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;

(d) the determination or publication of the Underlying no longer occurs in the Underlying Currency.

**"Index Sponsor"** means the Index Sponsor as specified in § 2 of the Product and Underlying Data.

**"Investment Adviser"** means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an adviser with respect to the investment activities of the Reference Fund.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

**"Last Day of the Best-in Period"** means the Last Day of the Best-in Period as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Worst-in observation, the following applies:

**"Last Day of the Worst-in Period"** means the Last Day of the Worst-in Period as specified in § 1 of the Product and Underlying Data.]

**"Management Company"** means, in relation to a Reference Fund, a person, company or institution that manages the Reference Fund according to the Fund Documents.

**"Market Disruption Event"** means any of the following events:

*with respect to the Underlying:*

- (a) the suspension or restriction of trading generally on the exchanges or markets on which the Index Components are traded;
- (b) in relation to an Index Component, the suspension or restriction of trading on the exchanges or markets on which that Index Component is traded or on the respective futures exchanges or markets on which derivatives linked to that Index Component are traded;
- (c) in relation to individual derivatives linked to the Underlying, the suspension or restriction of trading on the futures exchanges or markets on which such derivatives are traded;
- (d) the failure to calculate or the cessation or non-publication of the calculation of the Underlying as the result of a decision by the Index Sponsor or the Index Calculation Agent;

*with respect to a Reference Fund:*

- (e) in relation to a Reference Fund, the failure to calculate or the non-publication of the calculation of the respective NAV as the result of a decision by the respective Management Company or a Fund Services Provider on its behalf,
- (f) in relation to a Reference Fund, the closure, conversion or insolvency of the Reference Fund or other circumstances which make it impossible to determine the NAV, or
- (g) in relation to a Reference Fund, it is not possible to trade Fund Shares at the NAV, including the utilisation of provisions which suspend the redemption or issuance of Fund Shares for a particular period or restrict them to a particular portion of the volume of the Reference Fund or make them subject to the imposition of additional charges, or which permit particular assets to be segregated or payment to be made in kind instead of in cash or in the case in which payment is not made in full on the redemption of Fund Shares, and
- (h) in relation to a Reference Fund, comparable provisions which affect the ability of the Issuer to hedge its obligations under the Securities,
- (i) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Reference Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent.

"**Maturity Date**" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities with a Minimum Amount and a Cap, the following applies:

"**Maximum Amount**" means the Maximum Amount as specified in § 1 of the Product and Underlying Data.]

"**Maximum Additional Amount (k)**" means the Maximum Additional Amount (k) as specified in § 1 of the Product and Underlying Data.]

"**Minimum Additional Amount (k)**" means the Minimum Additional Amount (k) as specified in § 1 of the Product and Underlying Data.]

"**Minimum Amount**" means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

"**NAV**" means the official net asset value (the "Net Asset Value") for a Fund Share as published by the Reference Fund or from its Management Company and at which it is actually possible to redeem Fund Shares.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

"**Observation Date (k)**" means the Observation Date (k) as specified in § 1 of the Product and Underlying Data. If the Observation Date (k) is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Observation Date (k). The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

[In the case of Securities with a final reference price observation, the following applies:

"**Final Observation Date**" means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day that is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average observation, the following applies:

"**Final Observation Date**" means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day that is a Calculation Date shall be the corresponding Final Observation Date. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

**"Participation Factor"** means the Participation Factor as specified in § 1 of the Product and Underlying Data.

**"Participation Factor (final)"** means the Participation Factor (final) as specified in § 1 of the Product and Underlying Data.

**"Performance of the Underlying"** means the quotient of R (final), as the numerator, and R (initial), as the denominator.

**"Performance of the Underlying (k)"** means the performance of the Underlying (k) using the following formula:

$$1/D(k) \times (R(k) / R(\text{initial}) - \text{Strike Level})$$

**"Portfolio Manager"** means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an portfolio manager with respect to the investment activities of the Reference Fund. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

**"R (initial)"** means R (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

**"R (initial)"** means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

**"R (initial)"** means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

[In the case of Securities with Best-in observation, the following applies:

**"R (initial)"** means the highest Reference Price during the Best-in Period.]

[In the case of Securities with Worst-in observation, the following applies:

**"R (initial)"** means the lowest Reference Price during the Worst-in-Period.]

**"R (k)"** means the Reference Price on the respective Observation Date (k).

[In the case of Securities with a final reference price observation, the following applies:

**"R (final)"** means the Reference Price on the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

**"R (final)"** means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]

**"Redemption Amount"** means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

**"Reference Fund"** means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share has a proportional interest.

**"Reference Price"** means the Reference Price of the Underlying as specified in § 1 of the Product and Underlying Data.

**"Security Holder"** means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days relating to a Security that forms the basis of the Underlying, within which settlement will customarily occur according to the rules of that Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"**Strike**" means in § 1 of the Product and Underlying Data][R (initial) x Strike Level].

"**Strike Level**" means the Strike Level in § 1 of the Product and Underlying Data].

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Transfer and Registration Agent**" means, in relation to a Reference Fund, a person, company or institution entrusted with maintaining the books and records with respect to the shareholders of the Reference Fund according to the Fund Documents.

"**Underlying**" means the Underlying as specified in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

## § 2

### Interest, Additional Amount

- (1) *Interest:* The Securities do not bear interest.
- (2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Securities with an unconditional Additional Amount, the following applies:

- (2) *Additional Amount:* The Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor (final) x Performance of the Underlying (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

### § 3

#### Redemption

*Redemption:* The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.

### § 4

#### Redemption Amount

*Redemption Amount:* The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Securities with a Minimum Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Securities with a Minimum Amount and Cap, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

### § 5

#### Issuer's Conversion Right

- (1) *Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]

[The right for payment of the Additional Amount (k) ceases to exist in relation to all Additional Amount Payment Dates (k) following the occurrence of a Conversion Event.]

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

### § 6

#### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding*: The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding*: The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention*: If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge*: All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default*: If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

- (1) *Postponement*: Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date (k), the respective Observation Date (k) will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date (k) shall be postponed if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation*: Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

## § 8

### Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification

- (1) *Index Concept*: The basis for the calculations or specifications of the Calculation Agent described in these Terms and Conditions shall be the Underlying with its provisions applicable from time to time, as developed and maintained by the Index Sponsor, as well as the respective method of calculation, determination and publication of the price of the Underlying (the "**Index Concept**") applied by the Index Sponsor. This shall also apply if during the term of the

Securities changes are made or occur in respect of the Index Concept, or if other measures are taken which have an impact on the Index Concept, unless otherwise provided in the provisions below.

- (2) *Adjustments*: Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular, the ratio, the Underlying and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available NAV or the liquidation proceeds for the Reference Fund. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (3) *Replacement Underlying*: In cases of an Index Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which index should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.
- (4) *New Index Sponsor and New Index Calculation Agent*: If the Underlying is no longer determined by the Index Sponsor but by another person, company or institution (the "**New Index Sponsor**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as determined by the New Index Sponsor. In this case, any reference to the Index Sponsor shall be deemed to refer to the New Index Sponsor, depending on the context. If the Underlying is no longer calculated by the Index Calculation Agent but by another person, company or institution (the "**New Index Calculation Agent**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as calculated by the New Index Calculation Agent. In this case, any reference to the Index Calculation Agent shall be deemed to refer to the New Index Calculation Agent, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (5) *Replacement Specification*: If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- (5) *Replacement Specification:* If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]
- (6) If the Reference Fund is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.
- (7) If the Reference Fund is replaced by the Index Sponsor in accordance with the Index Concept by one or more other funds (in each case a "**Replacement Reference Fund**"), each and every reference to the Reference Fund in these Terms and Conditions shall be deemed, depending on the context, to refer to the respective Replacement Reference Fund. The Replacement Reference Fund shall be published pursuant to § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]]

## Option 8: Garant Performance Telescope Securities

[Option 8: In the case of Garant Performance Telescope Securities and Garant Performance Telescope Cap Securities, the following applies:

### § 1

#### Definitions

"**Additional Amount (k)**" means the Additional Amount (k) as calculated or determined by the Calculation Agent pursuant to § 2 of the Special Conditions.

"**Additional Amount Payment Date (k)**" means the Additional Amount Payment Date (k) as specified in § 1 of the Product and Underlying Data.

[In the case of an Underlying other than ETF the following applies:

"**Adjustment Event**" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;
- (b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) by the Fund or the Management Company that is material in the reasonable discretion of the Calculation Agent [In the case of Securities governed by German law, insert: (§ 315 BGB)] or a breach of statutory or regulatory requirements by the Fund or the Management Company;

- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], is significant in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the outstanding Fund Shares;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for mandatory reasons affecting the Issuer, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or changes in relevant case law or administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or

the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;

- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice of the Calculation Agent to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund and/or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or on the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency[;].]
- [(aa) the historic volatility of the Underlying exceeds a volatility level of [Insert]%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the Underlying for the most recent [Insert number of days] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates. The volatility determined using this method may not exceed a volatility level of [Insert]%.]

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

[In the case of ETF as Underlying the following applies:

"Adjustment Event" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect

- to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;
- (b) requests for the issue or purchase, redemption or sale or transfer of Fund Shares are executed only partially or not at all;
  - (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
  - (d) the Fund or the Management Company or a provider of fund services appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
  - (e) a change in the legal form of the Fund;
  - (f) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
  - (g) a change of significant individuals in key positions at the Management Company or in the Fund Management;
  - (h) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
  - (i) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
  - (j) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
  - (k) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
  - (l) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;

- (m) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (n) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (o) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (p) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (q) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (r) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (s) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (t) the Issuer loses the right to use the Fund Share as the Underlying for the Securities;
- (u) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (v) no notification is given of the basis of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (w) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (x) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (y) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;

- (z) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (aa) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (bb) the NAV is no longer published in the Underlying Currency,

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

**"Administrator"** means the Administrator [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

**["Aggregate Nominal Amount"** means the Aggregate Nominal Amount of the Series as specified in § 1 of the Product and Underlying Data.]

**"Auditor"** means the Auditor [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("TARGET2") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

**"Best-in Period"** means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with Best-out observation, the following applies:

**"Best-out Period"** means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

[In the case of Garant Performance Telescope Cap Securities, the following applies:

**"Cap Level"** means the Cap Level as specified in § 1 of the Product and Underlying Data.]

**"Calculation Agent"** means the Calculation Agent as specified in § 2 (2) of the General Conditions.

**"Calculation Date"** means each day on which the Reference Price is normally published by the Fund or the Management Company.

**["Change in Law"** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to

tax laws or capital market provisions) or

- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- (i) the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

**"Clearance System"** means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

**"Clearance System Business Day"** means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

**"Clearing System"** means Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

**"Clearing System"** means [*Insert other Clearing System(s)*].]

**"Conversion Event"** means a Fund Conversion Event.

**"Custodian Bank"** means the Custodian Bank [if specified in § 2 of the Product and Underlying Data]] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Custodian Bank" column] as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

**"D (k)"** means the denominator attributed to the respective Observation Date (k) as specified in § 1 of the Product and Underlying Data.

[In the case of ETF as Underlying the following applies:

**"Determining Futures Exchange"** means the futures exchange, on which respective derivatives of the Underlying (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange

(the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Futures Exchange.]

[In the case of ETF as Underlying the following applies:

"**Exchange Traded Fund**" means a Fund specified as Exchange Traded Fund in § 2 of the Product and Underlying Data.]

[In the case of Securities with final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**Final Strike Level**" means the Final Strike Level as specified in § 1 of the Product and Underlying Data.

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Best-out observation, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**First Day of the Distribution Observation Period**" means the first Initial Observation Date.]

[In the case of Securities with a Worst-out observation, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified in § 1 of the Product and Underlying Data.]

"**Fund**" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share represents a proportional interest.

A "**Fund Conversion Event**" means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (each a "**Fund Replacement Event**");
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Underlying is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company is available;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur(s).

"**Fund Documents**" means, in relation to the Fund, in each case, if available and in the respective most recent version: the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund if applicable the articles of association, the key investor information and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

"**Fund Management**" means the persons responsible for the portfolio and/or risk management of the Fund.

"**Fund Services Provider**" means, if applicable, the Administrator, the Auditor, the Investment Adviser, the Custodian Bank, the Management Company and the Portfolio Manager.

**"Fund Share"** means a unit or share of the Fund and the class set out in § 1 of the Product and Underlying Data.

**["Hedging Disruption"** means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.]

**["Income Payment Event"** means that R (k), as determined on the respective Observation Date (k), is greater than the Strike.]

**["Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Investment Adviser"** means the Investment Adviser [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Investment Adviser" column] as the Investment Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

**"Last Day of the Best-in Period"** means the Last Day of the Best-in Period as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

**"Last Day of the Distribution Observation Period"** means the last Final Observation Date.]

[In the case of Securities with Worst-in observation, the following applies:

**"Last Day of the Worst-in Period"** means the Last Day of the Worst-in Period as specified in § 1 of the Product and Underlying Data.]

**"Management Company"** means the Management Company [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund specifies another person, company or institution [as so specified in the "Management Company" column] as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

**"Market Disruption Event"** means any of the following events:

[In the case of an Underlying other than ETF the following applies:

- (a) the failure to calculate or non-publication of the calculation of the NAV as the result of a decision by the Management Company or a Fund Services Provider on its behalf,
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund or the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of the Fund Shares for a specified period or to restrict the redemption or issue of the Fund Shares to a specified portion of the volume of the Fund or to levy additional fees, or
- (d) the Fund or the Management Company redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.]

[In the case of ETF as Underlying the following applies:

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point in time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

**"Maturity Date"** means the Maturity Date as specified in § 1 of the Product and Underlying Data.

**["Maximum Additional Amount (k)"]** means the Maximum Additional Amount (k) as specified in § 1 of the Product and Underlying Data.]

**"Maximum Amount"** means the Nominal Amount x Cap Level.

**["Minimum Additional Amount (k)"]** means the Minimum Additional Amount (k) as specified in § 1 of the Product and Underlying Data.]

**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

**"NAV"** means the official net asset value (the **"Net Asset Value"**) for a Fund Share as published by the Fund or the Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.

**"Nominal Amount"** means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

**"Observation Date"** means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

"**Observation Date (k)**" means the Observation Date (k) as specified in § 1 of the Product and Underlying Data. If the Observation Date (k) is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Observation Date (k). The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

[In the case of Securities with a final reference price observation, the following applies:

"**Final Observation Date**" means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day that is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average observation, the following applies:

"**Final Observation Date**" means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day that is a Calculation Date shall be the corresponding Final Observation Date. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

"**Participation Factor**" means the Participation Factor as specified in § 1 of the Product and Underlying Data.

"**Participation Factor (final)**" means the Participation Factor (final) as specified in § 1 of the Product and Underlying Data.

"**Performance of the Underlying (k)**" means the performance of the Underlying (k) using the following formula:

$$1/D(k) \times (R(k) / R(\text{initial}) - \text{Strike Level})$$

"**Portfolio Manager**" means the Portfolio Manager [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Portfolio Manager" column] as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"**Principal Paying Agent**" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

"**R (initial)**" means R (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"**R (initial)**" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (initial)**" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors determined on the Initial Observation Dates.]

[In other cases, the following applies:

"**R (initial)**" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]]

[In the case of Securities with Best-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (initial)**" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-in Period.]

[In other cases, the following applies:

"**R (initial)**" means the highest Reference Price during the Best-in Period.]]

[In the case of Securities with Worst-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (initial)**" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-in-Period.]

[In other cases, the following applies:

"**R (initial)**" means the lowest Reference Price during the Worst-in Period.]]

[In the case of Securities with a final reference price observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the value of the product of Reference Price and Reference Price Adjustment Factor on the Final Observation Date.]

[In other cases, the following applies:

"**R (final)**" means the Reference Price on the Final Observation Date.]]

[In the case of Securities with a final average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors, determined on the Final Observation Dates.]

[In other cases, the following applies:

"**R (final)**" means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]]

[In the case of Securities with a Best-out observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-out Period.]

[In other cases, the following applies:

"**R (final)**" means the highest Reference Price during the Best-out Period.]]

[In the case of Securities with a Worst-out observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-out Period.]

[In other cases, the following applies:

"**R (final)**" means the lowest Reference Price during the Worst-out Period.]]

"**R (k)**" means the Reference Price on the respective Observation Date (k).

"**Redemption Amount**" means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Price**" means the Reference Price of the Underlying as specified in § 1 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Reference Price Adjustment Factor**" means, in relation to an Observation Date, the product of all the Underlying Distribution Factors for which the Underlying Distribution Ex-Date falls into [the period] [the time] between the First Day of the Distribution Observation Period (exclusive) and the respective Observation Date (inclusive).]

[In the case of ETF as Underlying the following applies:

"**Relevant Exchange**" means the Relevant Exchange [as specified in § 2 of the Product and Underlying Data].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

"**Security Holder**" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days within which settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of that Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

["**Strike**" means the Strike [as specified in § 1 of the Product and Underlying Data][R (initial) x Strike Level].]

"**Strike Level**" means the Strike Level [as specified in § 1 of the Product and Underlying Data].

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a Fund Share as specified in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

**"Underlying Distribution"** means each cash distribution specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] that is declared and paid by the Fund or the Management Company in respect of the Underlying.

**"Underlying Distribution Date"** means, in relation to an Underlying Distribution, the Calculation Date immediately prior to the respective Underlying Distribution Ex-Date.

**"Underlying Distribution Ex-Date"** means, in relation to an Underlying Distribution, the first day on which the NAV is published having been reduced by that Underlying Distribution.

**"Underlying Distribution Factor"** means the Underlying Distribution Factor calculated by the Calculation Agent in respect of each Underlying Distribution Ex-Date within the Underlying Distribution Observation Period as the total of (i) one and (ii) the quotient of the respective Underlying Distribution (net) and the NAV on the respective Underlying Distribution Date.

**"Underlying Distribution (net)"** means, in relation to an Underlying Distribution, that Underlying Distribution less an amount determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] equal to the taxes, levies, retentions, deductions or other charges that would arise with respect to the cash distribution for a private investor fully liable to tax in Germany if he were the holder of the Underlying.

**"Underlying Distribution Observation Period"** means each Calculation Date between the First Day of the Distribution Observation Period (exclusive) and the Last Day of the Distribution Observation Period.]

**"Website[s] of the Issuer"** means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

**"Website[s] for Notices"** means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

**"Worst-in Period"** means [*Insert relevant day(s)*] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with Worst-out observation, the following applies:

**"Worst-out Period"** means [*Insert relevant day(s)*] between the First Day of the Worst-in Period (inclusive) and the Final Observation Date (inclusive).]

## § 2

### Interest, Additional Amount

- (1) *Interest:* The Securities do not bear interest.
- [(2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Securities with an unconditional Additional Amount, the following applies:

- (2) *Additional Amount:* The corresponding Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

### § 3

#### Redemption

*Redemption:* The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.

### § 4

#### Redemption Amount

*Redemption Amount:* The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Garant Performance Telescope Securities, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Performance Telescope Cap Securities, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

### § 5

#### Issuer's Conversion Right

- (1) Issuer's conversion right: If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

[The right for payment of the Additional Amount (k) ceases to exist in relation to all Additional Amount Payment Dates (k) following the occurrence of a Conversion Event.]

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date (k), the respective Observation Date (k) will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.  
Any Payment Date relating to such Observation Date (k) shall be postponed if applicable. No interest is due because of such postponement.
- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

## § 8

### Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price for the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.

*[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:*

- (3) *Replacement Specification:* If an NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

*[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:*

- (3) *Replacement Specification:* If an NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]
- (4) If the Underlying is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.



## Option 9: Garant Performance Telescope Basket Securities

[Option 9: In the case of Garant Performance Telescope Basket Securities and Garant Performance Telescope Cap Basket Securities, the following applies:

### § 1

#### Definitions

[In the case of an Underlying other than ETF the following applies:

"**Adjustment Event**" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents<sub>i</sub> without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund<sub>i</sub>, (ii) the investment objectives or investment strategy or investment restrictions of the Fund<sub>i</sub>, (iii) the currency of the Fund Shares<sub>i</sub>, (iv) the method of calculating the NAV<sub>i</sub> or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares<sub>i</sub>;
- (b) requests for the redemption, subscription or transfer of Fund Shares<sub>i</sub> are not or only partially executed;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares<sub>i</sub> (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or the Fund Services Provider<sub>i</sub> appointed for this purpose by the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to publish the NAV<sub>i</sub> as scheduled or in accordance with normal practice or as specified in the Fund Documents<sub>i</sub>;
- (e) a change in the legal form of the Fund<sub>i</sub>;
- (f) a change of significant individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub> of the Fund<sub>i</sub>;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund<sub>i</sub> or of the Management Company<sub>i</sub>; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Fund<sub>i</sub> or of the Management Company<sub>i</sub>; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Fund<sub>i</sub> or of the Management Company<sub>i</sub> by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund<sub>i</sub>, the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub>, or of individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub> of the Fund<sub>i</sub> as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach of the investment objectives, the investment strategy or the investment restrictions of the Fund<sub>i</sub> (as defined in the Fund Documents<sub>i</sub>) by the Fund<sub>i</sub> or the Management Company<sub>i</sub> that is material in the reasonable discretion of the Calculation Agent [In the case of Securities governed by German law, insert: (§ 315 BGB)] or a breach of statutory or regulatory requirements by the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [In the case of Securities governed by German law, insert: (§ 315 BGB)], requires the

Issuer, in relation to the subscription, redemption or holding of Fund Shares<sub>i</sub>, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], is significant in comparison with the conditions applying on the First Trade Date;

- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the outstanding Fund Shares<sub>i</sub>;
- (l) the Issuer is required to consolidate the Fund<sub>i</sub> as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares<sub>i</sub> for mandatory reasons affecting the Issuer, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares<sub>i</sub> or of the redemption of existing Fund Shares<sub>i</sub>, (ii) the reduction of the number of Fund Shares<sub>i</sub> of a shareholder in the Fund<sub>i</sub> for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares<sub>i</sub>, (iv) payments in respect of a redemption of Fund Shares<sub>i</sub> being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets;
- (o) the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub> discontinues its services for the Fund<sub>i</sub> or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund<sub>i</sub> or the Fund Shares<sub>i</sub>, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund<sub>i</sub> or the merger of the Fund<sub>i</sub> into or with another fund, (iii) a requirement to transfer all the Fund Shares<sub>i</sub> to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares<sub>i</sub> by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
- (r) the Issuer loses the right to use the Fund<sub>i</sub> as the Basket Component for the Securities;
- (s) a change in the tax laws and regulations or changes in relevant case law or administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund<sub>i</sub> in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "**InvStG**") or the Fund<sub>i</sub> or the Management Company<sub>i</sub> has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;

- (u) changes in the investment or distribution policy of the Fund<sub>i</sub> which could have a substantial negative effect on the amount of the Fund<sub>i</sub>'s distributions as well as distributions which diverge significantly from the Fund<sub>i</sub>'s normal distribution policy to date;
- (v) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund<sub>i</sub> in a significant respect or terminates that agreement;
- (w) the Fund<sub>i</sub> or the Management Company<sub>i</sub>, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund<sub>i</sub>'s investment guidelines or restrictions in a timely manner;
- (x) the Management Company<sub>i</sub> fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV<sub>i</sub> or on the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV<sub>i</sub> is no longer published in the Currency of the Basket Component<sub>i</sub> [;][.]
- [(aa) the historic volatility of the Basket Component<sub>i</sub> with i=1,... [Insert the respective number of the Basket Component] exceeds a volatility level of [Insert the respective %] respectively. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the NAV<sub>i</sub> over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma_i(t) = \sqrt{\frac{\frac{1}{P-1} \left[ \sum_{p=1}^P \left[ \ln \left[ \frac{\text{NAV}_i(t-p)}{\text{NAV}_i(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{\text{NAV}_i(t-q)}{\text{NAV}_i(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV<sub>i</sub> (t-k)" (with k = p, q) is the NAV<sub>i</sub> of the Basket Component<sub>i</sub> on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the NAV<sub>i</sub> for the most recent [Insert number of days] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV<sub>i</sub> between two consecutive Calculation Dates. The volatility determined using this method may not exceed a volatility level for the Basket Component<sub>i</sub> with i=1,... [Insert the respective number of the Basket Component] of [Insert the respective %] respectively.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

[In the case of ETF as Underlying the following applies:

"Adjustment Event" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents; without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund<sub>i</sub>, (ii) the investment objectives or investment strategy

- or investment restrictions of the Fund<sub>i</sub>, (iii) the currency of the Fund Shares<sub>i</sub>, (iv) the method of calculating the NAV<sub>i</sub> or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares<sub>i</sub>;
- (b) requests for the issue or purchase, redemption or sale or transfer of Fund Shares<sub>i</sub> are executed only partially or not at all;
  - (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares<sub>i</sub> (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
  - (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or a provider of fund services appointed for this purpose by the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to publish the NAV<sub>i</sub> as scheduled or in accordance with normal practice or as specified in the Fund Documents<sub>i</sub>;
  - (e) a change in the legal form of the Fund<sub>i</sub>;
  - (f) the quotation of the Underlying at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Substitute Relevant Exchange could be determined;
  - (g) a change of significant individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub>;
  - (h) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
  - (i) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund<sub>i</sub> or of the Management Company<sub>i</sub>; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund<sub>i</sub> or of the Management Company<sub>i</sub>; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund<sub>i</sub> by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund<sub>i</sub>, the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub>, or of individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub> as a result of misconduct, a violation of the law or for similar reasons;
  - (j) a breach by the Fund<sub>i</sub> or the Management Company<sub>i</sub> of the investment objectives, the investment strategy or the investment restrictions of the Fund<sub>i</sub> (as defined in the Fund Documents<sub>i</sub>) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
  - (k) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares<sub>i</sub>, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
  - (l) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
  - (m) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares<sub>i</sub> outstanding;

- (n) the Issuer is required to consolidate the Fund<sub>i</sub> as a result of accounting or other regulations;
- (o) the sale or redemption of the Fund Shares<sub>i</sub> for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (p) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares<sub>i</sub> or of the redemption of existing Fund Shares<sub>i</sub> or (ii) the reduction of the number of Fund Shares<sub>i</sub> of a shareholder in the Fund<sub>i</sub> for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares<sub>i</sub> or (iv) payments in respect of a redemption of Fund Shares<sub>i</sub> being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (q) the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub> discontinues its services for the Fund<sub>i</sub> or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (r) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund<sub>i</sub> or the Fund Shares<sub>i</sub>, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund<sub>i</sub> or the merger of the Fund<sub>i</sub> into or with another fund, (iii) a requirement to transfer all the Fund Shares<sub>i</sub> to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares<sub>i</sub> by the shareholders;
- (s) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
- (t) the Issuer loses the right to use the Fund Share<sub>i</sub> as the Underlying for the Securities;
- (u) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (v) no notification is given of the basis of taxation for the Fund<sub>i</sub> in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund<sub>i</sub> or the Management Company<sub>i</sub> has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (w) changes in the investment or distribution policy of the Fund<sub>i</sub> which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (x) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund<sub>i</sub> in a significant respect or terminates that agreement;
- (y) the Fund<sub>i</sub> or the Management Company<sub>i</sub>, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (z) the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;

- (aa) any other event that could have a noticeable adverse effect on the NAV<sub>i</sub> of the Fund<sub>i</sub> or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (bb) the NAV<sub>i</sub> is no longer published in the Underlying Currency,

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.]

**"Administrator<sub>i</sub>"** means the Administrator<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as the Administrator of the Fund<sub>i</sub>, as so specified in the "Administrator<sub>i</sub>" column, each and every reference to the Administrator<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator<sub>i</sub>.

**"Aggregate Nominal Amount"** means the Aggregate Nominal Amount of the Series as specified in § 1 of the Product and Underlying Data.]

**"Auditor<sub>i</sub>"** means the Auditor<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as the Auditor of the Fund<sub>i</sub>, each and every reference to the Auditor<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor<sub>i</sub>.

*[In the case of Securities where the Specified Currency is the Euro, the following applies:*

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("TARGET2") are open for business.]

*[In the case of Securities where the Specified Currency is not the Euro, the following applies:*

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

*[In the case of Securities where the Specified Currency is not the Euro, the following applies:*

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

**"Basket Component<sub>i</sub>"** means the respective Fund Share<sub>i</sub> as specified in § 2 of the Product and Underlying Data (and collectively the "Basket Components").

*[In the case of Securities with Best-in observation, the following applies:*

**"Best-in Period"** means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive)].

*[In the case of Securities with a Best-out observation, the following applies:*

**"Best-out Period"** means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

**"Calculation Agent"** means the Calculation Agent as specified in § 2 (2) of the General Conditions.

**"Calculation Date"** means each day on which the Reference Price<sub>i</sub> is normally published by the respective Fund<sub>i</sub> or the respective Management Company<sub>i</sub>.

**"Change in Law"** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- (i) the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB).*]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

**"Clearance System"** means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares<sub>i</sub> and specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB).*]

**"Clearance System Business Day"** means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

**"Clearing System"** means Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

**"Clearing System"** means [*Insert other Clearing System(s).*]

**"Conversion Event"** means a Fund Conversion Event.

**"Currency of the Basket Component<sub>i</sub>"** means the Currency of the Basket Component<sub>i</sub> as specified in § 2 of the Product and Underlying Data.

**"Custodian Bank<sub>i</sub>"** means the Custodian Bank<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as the Custodian Bank of the Fund<sub>i</sub>, each and every reference to the Custodian Bank<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

**"D (k)"** means the denominator attributed to the respective Observation Date (k) as specified in § 1 of the Product and Underlying Data.

[In the case of ETF as Underlying the following applies:

**"Determining Futures Exchange"** means the futures exchange, on which respective derivatives of the Underlying (the "**Derivatives**") are traded, and as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions in accordance with such Derivative's number or liquidity.

In the case of a material change in the market conditions at the Determining Futures Exchange, such as a final discontinuation of derivatives' quotation linked to the Underlying at the Determining Futures Exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another futures exchange as the determining futures exchange (the "**Substitute Futures Exchange**"). In this case, any reference to the Determining Futures Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Sub-

stitute Futures Exchange.]

[In the case of ETF as Underlying the following applies:

"**Exchange Traded Fund**" means a Fund specified as Exchange Traded Fund in § 2 of the Product and Underlying Data.]

[In the case of Securities with a final reference price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**Final Strike Level**" means the Final Strike Level [as specified in § 1 of the Product and Underlying Data].

[In the case of Securities with a Best-out observation, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out observation, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified in § 1 of the Product and Underlying Data.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

"**Floor Level**" means the Floor Level as specified in § 1 of the Product and Underlying Data.

"**Fund<sub>i</sub>**" means, in relation to a Fund Share<sub>i</sub>, the investment fund issuing that Fund Share<sub>i</sub> or the investment fund in whose assets the Fund Share<sub>i</sub> represents a proportional interest.

A "**Fund Conversion Event**" means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (each a "Fund Replacement Event");
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Basket Component is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company<sub>i</sub> is available;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur(s).

"**Fund Documents**" means, in relation to a Fund<sub>i</sub>, in each case, if available and in the respective most recent version: the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund<sub>i</sub>, if applicable the articles of association, the key investor information and all other documents of the Fund<sub>i</sub> in which the terms and conditions of the Fund<sub>i</sub> and of the Fund Shares<sub>i</sub> are specified.

"**Fund Management<sub>i</sub>**" means the persons responsible for the portfolio and/or risk management of the Fund<sub>i</sub>.

"**Fund Services Provider<sub>i</sub>**" means, if applicable, the Administrator<sub>i</sub>, the Auditor<sub>i</sub>, the Investment Adviser<sub>i</sub>, the Custodian Bank<sub>i</sub>, the Management Company<sub>i</sub> and the Portfolio Manager<sub>i</sub>.

"**Fund Share<sub>i</sub>**" means a unit or share of the class set out [in the "Basket Component<sub>i</sub>" column in Table [●]] in § 2 of the Product and Underlying Data.

**["Hedging Disruption"** means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.]

**["Income Payment Event"** means that the Performance of the Underlying (k) is greater than the Strike.]

**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

**"Investment Adviser<sub>i</sub>"** means the Investment Adviser<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as so specified in the "Investment Adviser<sub>i</sub>" column as the Investment Adviser<sub>i</sub> of the Fund<sub>i</sub>, each and every reference to the Investment Adviser<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where  $K_i$  (initial) has already been specified, the following applies:

**" $K_i$  (initial)"** means  $K_i$  (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

**" $K_i$  (initial)"** means the Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

**" $K_i$  (initial)"** means the equally weighted average of the Reference Prices<sub>i</sub> of the Basket Component<sub>i</sub> determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in observation, the following applies:

**" $K_i$  (initial)"** means the highest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Best-in Period.]

[In the case of Securities with a Worst-in observation, the following applies:

**" $K_i$  (initial)"** means the lowest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Worst-in Period.]

**" $K_i$  (k)"** means the Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> on the respective Observation Date (k).

[In the case of Securities with a final reference price observation, the following applies:

"**K<sub>i</sub> (final)**" means the Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> on the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

"**K<sub>i</sub> (final)**" means the equally weighted average of the Reference Prices<sub>i</sub> of the Basket Component<sub>i</sub> determined on the Final Observation Dates.]

[In the case of Securities with a Best-out observation, the following applies:

"**K<sub>i</sub> (final)**" means the highest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Best-out Period.]

[In the case of Securities with a Worst-out observation, the following applies:

"**K<sub>i</sub> (final)**" means the lowest Reference Price<sub>i</sub> of the Basket Component<sub>i</sub> during the Worst-out Period.]

[In the case of Securities with Best-in observation, the following applies:

"**Last Day of the Best-in Period**" means the Last Day of the Best-in Period as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Worst-in observation, the following applies:

"**Last Day of the Worst-in Period**" means the Last Day of the Worst-in Period as specified in § 1 of the Product and Underlying Data.]

"**Management Company<sub>i</sub>**" means the Management Company<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> specifies another person, company or institution as the Management Company<sub>i</sub> of the Fund<sub>i</sub>, each and every reference to the Management Company<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company<sub>i</sub>.

"**Market Disruption Event**" means any of the following events:

[In the case of an Underlying other than ETF the following applies:

- (a) the failure to calculate or non-publication of the calculation of the NAV<sub>i</sub> as the result of a decision by the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub> on its behalf,
- (b) the closure, conversion or insolvency of the Fund<sub>i</sub> or other circumstances which make it impossible to determine the NAV<sub>i</sub>, or
- (c) it is not possible to trade Fund Shares<sub>i</sub> at the NAV<sub>i</sub>. This also covers cases in which the Fund<sub>i</sub> or the Management Company<sub>i</sub> or the Fund Services Provider<sub>i</sub> on their behalf decides to suspend the redemption or issue of the Fund Shares<sub>i</sub> for a specified period or to restrict the redemption or issue of the Fund Shares<sub>i</sub> to a specified portion of the volume of the Fund<sub>i</sub> or to levy additional fees, or
- (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> redeems the Fund Shares<sub>i</sub> in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund<sub>i</sub> are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.]

[In the case of ETF as Underlying the following applies:

- (a) the failure of the Relevant Exchange to open for trading during its regular trading sessions;

- (b) the suspension or restriction of trading in the Underlying on the Relevant Exchange;
- (c) in general the suspension or restriction of trading in a Derivative of the Underlying on the Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price which is relevant for the Securities and continues at the point in time of the normal calculation and is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent. Any restriction of the trading hours or the number of days on which trading takes place on the Relevant Exchange or, as the case may be, the Determining Futures Exchange, shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the Relevant Exchange or, as the case may be, the Determining Futures Exchange.]

**"Maturity Date"** means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Garant Performance Telescope Cap Basket Securities, the following applies:

**["Maximum Amount"** means the Maximum Amount as specified in § 1 of the Product and Underlying Data.]

**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

**"N"** means the number of the Basket Components as specified in § 1 of the Product and Underlying Data.

**"NAV<sub>i</sub>"** means the official net asset value (the **"Net Asset Value"**) for a Fund Share<sub>i</sub> as published by the Fund<sub>i</sub> or the Management Company<sub>i</sub> or by a third person on their behalf and at which it is actually possible to redeem Fund Shares<sub>i</sub>.

**"Nominal Amount"** means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

**"Observation Date"** means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation with postponement of the Observation Date of all Basket Components, the following applies:

**"Initial Observation Date"** means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day which is a Calculation Date for all Basket Components shall be the Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial reference price observation with postponement of the Observation Date of all Basket Components, the following applies:

**"Initial Observation Date"** means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the Initial Observation Date for the corresponding Basket Component<sub>i</sub>.]

[In the case of Securities with an initial average observation and postponement of the Observation Date of all Basket Components, the following applies:

**"Initial Observation Date"** means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day which is a Calculation Date for all Basket Components shall be the corresponding Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial average observation and postponement of the Observation Date of the respective Basket Components, the following applies:

**"Initial Observation Date"** means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the corresponding Initial Observation Date for the corresponding Basket Component<sub>i</sub>.]

**"Observation Date (k)"** means the Observation Date (k) as specified in § 1 of the Product and Underlying Data. If this day is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day which is a Calculation Date for all Basket Components shall be the Final Observation Date for all Basket Components. The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

[In the case of Securities with a final reference price observation with postponement of the Observation Date of all Basket Components, the following applies:

**"Final Observation Date"** means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Final Observation Date for all Basket Components. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final reference price observation with postponement of the Observation Date of the respective Basket Components, the following applies:

**"Final Observation Date"** means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the Final Observation Date for the corresponding Basket Component<sub>i</sub>. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average observation with postponement of the Observation Date of all Basket Components, the following applies:

**"Final Observation Date"** means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If this day is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corresponding Final Observation Date for all Basket Components. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average observation with postponement of the Observation Date of the respective Basket Components, the following applies:

**"Final Observation Date"** means each of the Final Observation Dates specified in § 1 of the Product and Underlying Data. If this day is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component<sub>i</sub> shall be the corresponding Final Observation Date for the corresponding Basket Component<sub>i</sub>. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

**"Participation Factor"** means the Participation Factor as specified in § 1 of the Product and Underlying Data.

**"Participation Factor (final)"** means the Participation Factor (final) as specified in § 1 of the Product and Underlying Data.

**"Performance<sub>i</sub> (k)"** means the Performance of the Basket Component<sub>i</sub> (k) using the following formula:

$K_i(k) / K_i(\text{initial})$

**"Performance<sub>i</sub>"** means the Performance of the Basket Component<sub>i</sub>, determined from the quotient of K<sub>i</sub> (final), as the numerator, and K<sub>i</sub> (initial), as the denominator.

**"Performance of the Underlying"** means the Performance of the Underlying in accordance with the following formula:

$$\text{Performance of the Underlying} = \sum_{i=1}^N (\text{Performance}_i \times W_i)$$

**"Performance of the Underlying (k)"** means the performance of the Underlying (k) using the following formula:

$$\text{Performance of the Underlying (k)} = \sum_{i=1}^N (\text{Performance}_i(k) \times W_i)$$

**"Portfolio Manager<sub>i</sub>"** means the Portfolio Manager<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as the Portfolio Manager<sub>i</sub> of the Fund<sub>i</sub>, each and every reference to the Portfolio Manager<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

**"Redemption Amount"** means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

**"Reference Price<sub>i</sub>"** means the Reference Price<sub>i</sub> as specified in § 1 of the Product and Underlying Data.

*[In the case of ETF as Underlying the following applies:]*

**"Relevant Exchange"** means the Relevant Exchange [as specified in § 2 of the Product and Underlying Data].

In the case of a material change in the market conditions at the Relevant Exchange, such as a final discontinuation of the quotation of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Calculation Agent will in its reasonable discretion (§ 315 BGB) by way of notice pursuant to § 6 of the General Conditions determine another stock exchange as the relevant exchange (the "**Substitute Exchange**"). In this case, any reference to the Relevant Exchange in the Terms and Conditions of these Securities shall be deemed to refer to the Substitute Exchange.]

**"Security Holder"** means the holder of a Security.

*[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:]*

**"Settlement Cycle"** means the number of Clearance System Business Days within which settlement of subscriptions or redemptions of Fund Shares<sub>i</sub> will customarily occur according to the rules of that Clearance System.]

**"Specified Currency"** means the Specified Currency as specified in § 1 of the Product and Underlying Data.

**["Strike"** means the Strike as specified in § 1 of the Product and Underlying Data.]

**"Terms and Conditions"** means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

**"Underlying"** means a basket consisting of the Basket Components.

**"Website[s] of the Issuer"** means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

"**Weighting<sub>i</sub> (W<sub>i</sub>)**" (where  $i = 1, \dots, N$ ) means the weighting allocated to the Basket Component<sub>i</sub> as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out observation, the following applies:

"**Worst-out Period**" means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

## § 2

### Interest

(1) The Securities do not bear interest.

[(2) *Additional Amount*: If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x (Performance of the Underlying (k) – Strike) x Participation Factor x 1/D (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Securities with an unconditional Additional Amount, the following applies:

(2) *Additional Amount*: The corresponding Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x (Performance of the Underlying (k) – Strike) x Participation Factor x 1/D (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

## § 3

### Redemption

*Redemption*: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.

## § 4

### Redemption Amount

*Redemption Amount*: The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Garant Performance Telescope Basket Securities with a Nominal Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Performance Telescope Cap Basket Securities with a Nominal Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

## § 5

### Issuer's Conversion Right

- (1) *Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]  
  
The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.

- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

[In the case of Securities with an averaging observation, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such postponement, several Observation Dates fall on the same date, then each of these Observation Dates shall be deemed to be an Observation Date for averaging purposes.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Securities allowing for a postponement of the Observation Date for all Basket Components, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date for all Basket Components will be postponed to the next following Banking Day that is a Calculation Date for all Basket Components and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Securities allowing for postponement of the Observation Date for the relevant Basket Components, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date for the respective Basket Component<sub>i</sub> will be postponed to the next following Banking Day that is a Calculation Date for the Basket Component<sub>i</sub> and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective Reference Price<sub>i</sub> required for the calculation or specification of the Redemption Amount. Such Reference Price<sub>i</sub> shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

## § 8

### Index Concept, Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments*: Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular, the ratio, the respective Basket Component<sub>i</sub> and/or all prices of the respective Basket Component<sub>i</sub> specified by the Issuer) and/or all prices of the respective Basket Component<sub>i</sub> determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the respective Basket Component<sub>i</sub>. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Underlying*: In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund<sub>i</sub> or Fund Share<sub>i</sub> should be used in the future as the respective Basket Component<sub>i</sub> (the "**Replacement Basket Component**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Basket Component<sub>i</sub>, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Basket Component<sub>i</sub> determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Basket Component and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Basket Component, any reference to the Basket Component<sub>i</sub> in these Terms and Conditions shall be deemed to refer to the Replacement Basket Component, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (3) *Replacement Specification*: If an NAV<sub>i</sub>, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company<sub>i</sub> after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component<sub>i</sub>, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- (3) *Replacement Specification*: If an NAV<sub>i</sub>, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company<sub>i</sub> after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component<sub>i</sub>, then the relevant value will not be specified again.]
- (4) If the Basket Component<sub>i</sub> is no longer managed by the Management Company<sub>i</sub> but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company<sub>i</sub> in these Terms and Conditions shall be deemed, de-

pending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]]

**Option 10: Fund Index Telescope Securities**

**Option 11: Fund Index Geoscope Securities**

**[[ ~~OPTION 10~~ | ~~OPTION 11~~ ]: IN THE CASE OF FUND INDEX | ~~TELESCOPE~~ | ~~GEOSCOPE~~ SECURITIES, THE FOLLOWING APPLIES:**

**§ 1**

**Definitions**

"**Additional Amount (k)**" means the Additional Amount (k) as calculated or determined by the Calculation Agent pursuant to § 2 of the Special Conditions.

"**Additional Amount Payment Date (k)**" means the Additional Amount Payment Date (k) as specified in § 1 of the Product and Underlying Data.

"**Adjustment Event**" means each Index Adjustment Event and Fund Adjustment Event.

"**Administrator**" means the Administrator if specified in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund, each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified in § 1 of the Product and Underlying Data.

"**Auditor**" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents for the purpose of auditing the Reference Fund in connection with the annual report.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive)].

"**Calculation Agent**" means the Calculation Agent as specified in § 2 (2) of the General Conditions.

"**Calculation Date**" means each day on which the Reference Price is normally published as scheduled by the Index Sponsor or the Index Calculation Agent.

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- (i) the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

*[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:*

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in respect of the securities that form the basis of the Underlying and determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

*[In the case of Securities with CBF as Clearing System, the following applies:*

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

*[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:*

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

*[In the case of Securities with another Clearing System, the following applies:*

"**Clearing System**" means [*Insert other Clearing System (s)*].]

"**Conversion Event**" means any of the following events:

- (d) a Fund Conversion Event;
- (e) an Index Conversion Event;
- (f) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur(s).

"**Custodian Bank**" means, in relation to a Reference Fund, a person, company or institution acting as custodian of the Reference Fund's assets according to the Fund Documents.

"**D (k)**" means the denominator attributed to the respective Observation Date (k) as specified in § 1 of the Product and Underlying Data.

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

"**Fund Adjustment Event**" means:

- (r) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer and/or the Hedging Party to comply with the terms of its hedging transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency of the Fund Shares, (iv) the respective method of calculating the net asset value or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;

- (s) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (t) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees existing at the date the Reference Fund and where included in the Underlying);
- (u) the Reference Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Reference Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (v) (i) a change in the legal, accounting, tax or regulatory treatment of the Reference Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Reference Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Reference Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings, a conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company or a Fund Services Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- (w) a breach of the investment objectives or the investment restrictions of the Reference Fund (as defined in the Fund Documents) or a breach of statutory or regulatory requirements by the Reference Fund or the Management Company;
- (x) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer or the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer or the Hedging Party with respect to its hedging transactions to an extent that is significant in comparison with the conditions applying on the First Trade Date;
- (y) an increase in the proportion of the volume held by the Issuer and the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into hedging transactions beyond [*Insert relevant percentage*]% of the outstanding Fund Shares in the Reference Fund;
- (z) the Issuer or the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
- (aa) the sale or redemption of Fund Shares for reasons affecting the Issuer or the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (bb) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;
- (cc) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer, the Hedging Party or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;

- (dd) no notification is given of the bases of taxation for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Reference Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;
- (ee) the Reference Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Index Calculation Agent, the Issuer or the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
- (ff) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- (gg) the Reference Fund or the Management Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (hh) any other event that could have a noticeable adverse effect on the net asset value of the Reference Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;

to the extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], the financial position of a hypothetical investor or of the Hedging Party or of the Security Holders suffers a significant adverse change as a result.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

A "**Fund Conversion Event**" exists if an adjustment pursuant to § 8 (2) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders.

"**Fund Documents**" means, in relation to a Reference Fund, – in each case, if available and in the respective most recent version – the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund [if applicable the articles of association], the key investor information and all other documents of the Reference Fund in which the terms and conditions of the Reference Fund and of the Fund Shares are specified.

"**Fund Services Provider**" means, if available, in relation to a Reference Fund, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor of the Reference Fund.

"**Fund Share**" means an Index Component which is a share in a Fund.

*[In the case of Geoscope Securities the following applies:*

"**Geometric Average Performance of the Underlying (k)**" means the value calculated pursuant the following formula:

(Performance of the Underlying (k))<sup>1/D(k)</sup>

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (c) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (d) realise, reclaim or pass on proceeds from such transactions or assets.

"**Hedging Party**" means the Hedging Party as specified in § 1 of the Product and Underlying Data. The Calculation Agent shall be entitled to specify another person or company as the

Hedging Party (the "**Successor Hedging Party**") at any time. The Calculation Agent shall give notice of the specification of a Successor Hedging Party pursuant to § 6 of the General Conditions. In this case each and every reference to the Hedging Party in these Terms and Conditions, depending on the context, shall be deemed to refer to the Successor Hedging Party.]

**"Income Payment Event"** means that [R (k), as determined on the respective Observation Date (k), is greater than the Strike] [the Geometric Average Performance of the Underlying (k) on the respective Observation Date (k) is greater than the Strike Level].]

**"Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (c) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (d) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Index Adjustment Event"** means any of the following events:

- (e) changes in the relevant Index Concept or the calculation of the Underlying that, in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;
- (f) the calculation or publication of the Underlying is permanently discontinued or it is replaced by another index (the "**Index Replacement Event**");
- (g) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying;
- (h) the Reference Price is no longer published in the Underlying Currency.

**"Index Calculation Agent"** means the Index Calculation Agent as specified in § 2 of the Product and Underlying Data.

**"Index Component"** means, in relation to the Underlying, an asset or a reference value which is incorporated in the calculation of the Underlying at the relevant time.

**"Index Conversion Event"** means each of the following events:

- (e) an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (f) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no suitable Replacement Underlying is available;
- (g) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;
- (h) the determination or publication of the Underlying no longer occurs in the Underlying Currency.

**"Index Sponsor"** means the Index Sponsor as specified in § 2 of the Product and Underlying Data.

**"Investment Adviser"** means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an adviser with respect to the investment activities of the Reference Fund.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

**"Last Day of the Best-in Period"** means the Last Day of the Best-in Period as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Worst-in observation, the following applies:

**"Last Day of the Worst-in Period"** means the Last Day of the Worst-in Period as specified in § 1 of the Product and Underlying Data.]

**"Management Company"** means, in relation to a Reference Fund, a person, company or institution that manages the Reference Fund according to the Fund Documents.

**"Market Disruption Event"** means any of the following events:

*with respect to the Underlying:*

- (j) the suspension or restriction of trading generally on the exchanges or markets on which the Index Components are traded;
- (k) in relation to an Index Component, the suspension or restriction of trading on the exchanges or markets on which that Index Component is traded or on the respective futures exchanges or markets on which derivatives linked to that Index Component are traded;
- (l) in relation to individual derivatives linked to the Underlying, the suspension or restriction of trading on the futures exchanges or markets on which such derivatives are traded;
- (m) the failure to calculate or the cessation or non-publication of the calculation of the Underlying as the result of a decision by the Index Sponsor or the Index Calculation Agent;

*with respect to a Reference Fund:*

- (n) in relation to a Reference Fund, the failure to calculate or the non-publication of the calculation of the respective NAV as the result of a decision by the respective Management Company or a Fund Services Provider on its behalf,
- (o) in relation to a Reference Fund, the closure, conversion or insolvency of the Reference Fund or other circumstances which make it impossible to determine the NAV, or
- (p) in relation to a Reference Fund, it is not possible to trade Fund Shares at the NAV, including the utilisation of provisions which suspend the redemption or issuance of Fund Shares for a particular period or restrict them to a particular portion of the volume of the Reference Fund or make them subject to the imposition of additional charges, or which permit particular assets to be segregated or payment to be made in kind instead of in cash or in the case in which payment is not made in full on the redemption of Fund Shares, and
- (q) in relation to a Reference Fund, comparable provisions which affect the ability of the Issuer to hedge its obligations under the Securities,
- (r) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Reference Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent.

**"Maturity Date"** means the Maturity Date as specified in § 1 of the Product and Underlying Data.

**"Maximum Additional Amount (k)"** means the Maximum Additional Amount (k) as specified in § 1 of the Product and Underlying Data.]

**"Minimum Additional Amount (k)"** means the Minimum Additional Amount (k) as specified in § 1 of the Product and Underlying Data.]

**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

**"NAV"** means the official net asset value (the "Net Asset Value") for a Fund Share as published by the Reference Fund or from its Management Company and at which it is actually possible to redeem Fund Shares.

**"Nominal Amount"** means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

**"Observation Date"** means each of the following Observation Dates:

*[In the case of Securities with an initial reference price observation, the following applies:*

**"Initial Observation Date"** means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

*[In the case of Securities with an initial average observation, the following applies:*

**"Initial Observation Date"** means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

**"Observation Date (k)"** means the Observation Date (k) as specified in § 1 of the Product and Underlying Data. If the Observation Date (k) is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Observation Date (k). The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

**"Participation Factor"** means the Participation Factor as specified in § 1 of the Product and Underlying Data.

**"Performance of the Underlying (k)"** means the performance of the Underlying (k) using the following formula:

$1/D(k) \times (R(k) / R(\text{initial}) - \text{Strike Level})$

*[In the case of Geoscope Securities the following applies:*

**"Performance of the Underlying (k)"** means the performance of the Underlying (k) using the following formula:

$R(k) / R(\text{initial})$

**"Portfolio Manager"** means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an portfolio manager with respect to the investment activities of the Reference Fund. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"**Principal Paying Agent**" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

"**R (initial)**" means R (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"**R (initial)**" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"**R (initial)**" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

[In the case of Securities with Best-in observation, the following applies:

"**R (initial)**" means the highest Reference Price during the Best-in Period.]

[In the case of Securities with Worst-in observation, the following applies:

"**R (initial)**" means the lowest Reference Price during the Worst-in-Period.]

"**R (k)**" means the Reference Price on the respective Observation Date (k).

"**Redemption Amount**" means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Fund**" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share has a proportional interest.

"**Reference Price**" means the Reference Price of the Underlying as specified in § 1 of the Product and Underlying Data.

"**Security Holder**" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days relating to a Security that forms the basis of the Underlying, within which settlement will customarily occur according to the rules of that Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

["**Strike**" means the Strike [as specified in § 1 of the Product and Underlying Data][R (initial) x Strike Level].]

"**Strike Level**" means the Strike Level [as specified in § 1 of the Product and Underlying Data].

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Transfer and Registration Agent**" means, in relation to a Reference Fund, a person, company or institution entrusted with maintaining the books and records with respect to the shareholders of the Reference Fund according to the Fund Documents.

"**Underlying**" means the Underlying as specified in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

"Worst-in Period" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

## § 2

### Interest, Additional Amount

- (1) *Interest:* The Securities do not bear interest.

[In the case of Fund Index Telescope Securities with a conditional Additional Amount, the following applies:

- (2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Fund Index Telescope Securities with an unconditional Additional Amount, the following applies:

- (2) *Additional Amount:* The Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

[In the case of Fund Index Geoscope Securities with a conditional Additional Amount, the following applies:

- (2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x (Geometric Average Performance of the Underlying (k) – Strike Level).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Fund Index Geoscope Securities with an unconditional Additional Amount, the following applies:

- (2) *Additional Amount:* The Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x (Geometric Average Performance of the Underlying (k) – Strike Level).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

### § 3

#### Redemption

*Redemption:* The Securities shall be redeemed by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

### § 4

#### Redemption Amount

*Redemption Amount:* The Redemption Amount equals the Minimum Amount.

### § 5

#### Issuer's Conversion Right

- (1) *Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]

[The right for payment of the Additional Amount (k) ceases to exist in relation to all Additional Amount Payment Dates (k) following the occurrence of a Conversion Event.]

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

### § 6

#### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to

the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.

- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

### Market Disruption Events

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date (k), the respective Observation Date (k) will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date (k) shall be postponed if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

## § 8

### Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification

- (1) *Index Concept:* The basis for the calculations or specifications of the Calculation Agent described in these Terms and Conditions shall be the Underlying with its provisions applicable from time to time, as developed and maintained by the Index Sponsor, as well as the respective method of calculation, determination and publication of the price of the Underlying (the "**Index Concept**") applied by the Index Sponsor. This shall also apply if during the term of the Securities changes are made or occur in respect of the Index Concept, or if other measures are taken which have an impact on the Index Concept, unless otherwise provided in the provisions below.
- (2) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] adjust these Terms and Conditions (in particular, the ratio, the Underlying and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available NAV or the liquidation proceeds for the Reference Fund. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The ad-

justments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.

- (3) *Replacement Underlying*: In cases of an Index Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which index should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.
- (4) *New Index Sponsor and New Index Calculation Agent*: If the Underlying is no longer determined by the Index Sponsor but by another person, company or institution (the "**New Index Sponsor**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as determined by the New Index Sponsor. In this case, any reference to the Index Sponsor shall be deemed to refer to the New Index Sponsor, depending on the context. If the Underlying is no longer calculated by the Index Calculation Agent but by another person, company or institution (the "**New Index Calculation Agent**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as calculated by the New Index Calculation Agent. In this case, any reference to the Index Calculation Agent shall be deemed to refer to the New Index Calculation Agent, unless the context provides otherwise.

*[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:*

- (5) *Replacement Specification*: If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

*[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:*

- (5) *Replacement Specification*: If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]
- (6) If the Reference Fund is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every

reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

- (7) If the Reference Fund is replaced by the Index Sponsor in accordance with the Index Concept by one or more other funds (in each case a "**Replacement Reference Fund**"), each and every reference to the Reference Fund in these Terms and Conditions shall be deemed, depending on the context, to refer to the respective Replacement Reference Fund. The Replacement Reference Fund shall be published pursuant to § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]]

## Option 12: Garant Telescope Securities

## Option 13: Garant Geoscope Securities

### [OPTION 12] [OPTION 13] : IN THE CASE OF GARANT [TELESCOPE] [GEOSCOPE] SECURITIES, THE FOLLOWING APPLIES:

#### § 1

#### Definitions

"**Additional Amount (k)**" means the Additional Amount (k) as calculated or determined by the Calculation Agent pursuant to § 2 of the Special Conditions.

"**Additional Amount Payment Date (k)**" means the Additional Amount Payment Date (k) as specified in § 1 of the Product and Underlying Data.

"**Adjustment Event**" means in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;
- (b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) by the Fund or the Management Company that is material in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] or a

breach of statutory or regulatory requirements by the Fund or the Management Company;

- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], is significant in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the outstanding Fund Shares;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for mandatory reasons affecting the Issuer, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or changes in relevant case law or administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;

- (t) no notification is given of the bases of taxation for the Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;
- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund and/or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or on the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency[;][.]
- [(aa) [the historic volatility of the Underlying exceeds a volatility level of [Insert]%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the Underlying for the most recent [Insert number of days] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates. The volatility determined using this method may not exceed a volatility level of [Insert]%.]

[the difference between the historic volatility of the Underlying and the historic volatility of the Benchmark on both a Calculation Date and a Benchmark Calculation Date exceeds [Insert]%.]

The volatility of the Underlying is calculated on any day that is a Calculation Date and a Benchmark Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding [Insert number of days] Calculation Dates which are also Benchmark Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date which is also a Benchmark Calculation Date;

"P" is *[Insert number of days]*;

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on any day that is a Calculation Date and a Benchmark Calculation Date using the daily returns of the Underlying for the most recent *[Insert number of days]* Calculation Dates which are also Benchmark Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates which are also Benchmark Calculation Dates in each case.

The volatility of the Benchmark is calculated on any day that is a Benchmark Calculation Date and a Calculation Date on the basis of the daily logarithmic returns of the Benchmark over the immediately preceding *[Insert number of days]* Benchmark Calculation Dates which are also Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{q=1}^P \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{BRP(t-q)}{BRP(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Benchmark Calculation Date which is also a Calculation Date;

"P" is *[Insert number of days]*;

"BRP (t-k)" (with k = p, q) is the Benchmark Reference Price on the k-th Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on any day that is a Benchmark Calculation Date and a Calculation Date using the daily returns of the Benchmark for the most recent *[Insert number of days]* Benchmark Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the Benchmark Reference Price between two consecutive Benchmark Calculation Dates in each case.]

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

"**Administrator**" means the Administrator [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified in § 1 of the Product and Underlying Data.]

"**Auditor**" means the Auditor [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every

reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("TARGET2") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

**"Benchmark"** means the index as specified in § 1 of the Product and Underlying Data.

**"Benchmark Calculation Date"** means each day on which the Benchmark Reference Price is calculated and published by the Benchmark Sponsor.

**"Benchmark Reference Price"** means the closing price of the Benchmark.

**"Benchmark Sponsor"** means the Benchmark Sponsor as specified in § 1 of the Product and Underlying Data.

**"Benchmark Replacement Event"** means

- (a) any change in the relevant index concept or the calculation of the Benchmark, that in the reasonable discretion (§ 315 BGB) of the Calculation Agent result in a new relevant index concept or calculation of the Benchmark being no longer economically equivalent to the original relevant index concept or the original calculation of the Benchmark;
- (b) the calculation or publication of the Benchmark is finally discontinued, or replaced by another index (the **"Benchmark Replacement Event"**);
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Benchmark as basis for any calculation or specifications described in these Terms and Conditions;
- (d) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Benchmark.

In cases of a Benchmark Replacement Event the Calculation Agent is entitled to determine in its reasonable discretion (§ 315 BGB), which index should be used in the future as a Benchmark (the **"Replacement Benchmark"**). The Replacement Benchmark will be published in accordance with § 6 of the General Conditions. Any reference to the replaced Benchmark in these Terms and Conditions shall be deemed to refer to the Replacement Benchmark.

If the Benchmark is no longer determined by the Benchmark Sponsor but rather by another person, company or institution (the **"New Benchmark Sponsor"**), then any calculation described in these Terms and Conditions shall occur on the basis of the Benchmark as determined by the New Benchmark Sponsor. In this case, any reference to the replaced Benchmark Sponsor in these Terms and Conditions shall be deemed to refer to the New Benchmark Sponsor.]

[In the case of Securities with Best-in observation, the following applies:

**"Best-in Period"** means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive)].

**"Calculation Agent"** means the Calculation Agent as specified in § 2 (2) of the General Conditions.

**"Calculation Date"** means each day on which the Reference Price is normally published by the Fund or the Management Company.

**"Change in Law"** means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or
- (b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

- [(i)] the holding, acquisition or sale of the Underlying or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

**"Clearance System"** means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

**"Clearance System Business Day"** means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

**"Clearing System"** means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

**"Clearing System"** means Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "ICSD" (International Central Securities Depository) and, collectively, the "ICSDs").]

[In the case of Securities with another Clearing System, the following applies:

**"Clearing System"** means [*Insert other Clearing System(s)*].]

**"Conversion Event"** means a Fund Conversion Event.

**"Custodian Bank"** means the Custodian Bank [if specified in § 2 of the Product and Underlying Data] ] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

**"D (k)"** means the denominator attributed to the respective Observation Date (k) as specified in § 1 of the Product and Underlying Data.

**"First Trade Date"** means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

**"First Day of the Distribution Observation Period"** means the first Initial Observation Date.]

**"Fund"** means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share represents a proportional interest.

A **"Fund Conversion Event"** means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (each a **"Fund Replacement Event"**);.
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no Replacement Underlying is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no Replacement Management Company is available;
- (d) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur.

**"Fund Documents"** means, in relation to the Fund, in each case, if available and in the respective most recent version: the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund if applicable the articles of association, the key investor information and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

**"Fund Management"** means the persons responsible for the portfolio and/or risk management of the Fund.

**"Fund Services Provider"** means, if applicable, the Administrator, the Auditor, the Investment Adviser, the Custodian Bank, the Management Company and the Portfolio Manager.

**"Fund Share"** means a unit or share of the Fund and the class set out in § 1 of the Product and Underlying Data.

*[In the case of Garant Geoscope Securities the following applies:*

**"Geometric Average Performance of the Underlying (k)"** means the value calculated pursuant the following formula:

$(\text{Performance of the Underlying (k)})^{1/D(k)}$

**["Hedging Disruption"** means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.]

**["Income Payment Event"** means that [R (k), as determined on the respective Observation Date (k), is greater than the Strike] [the Geometric Average Performance of the Underlying (k) on the respective Observation Date (k) is greater than the Strike Level].]

**["Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Investment Adviser"** means the Investment Adviser [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Investment Adviser" column] as the Investment Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

**"Last Day of the Best-in Period"** means the Last Day of the Best-in Period as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

**"Last Day of the Distribution Observation Period"** means the last Final Observation Date.]

[In the case of Securities with Worst-in observation, the following applies:

**"Last Day of the Worst-in Period"** means the Last Day of the Worst-in Period as specified in § 1 of the Product and Underlying Data.]

**"Management Company"** means the Management Company [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund specifies another person, company or institution [as so specified in the "Management Company" column] as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

**"Market Disruption Event"** means any of the following events:

- (a) the failure to calculate or non-publication of the calculation of the NAV as the result of a decision by the Management Company or a Fund Services Provider on its behalf,
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund or the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of the Fund Shares for a specified period or to restrict the redemption or issue of the Fund Shares to a specified portion of the volume of the Fund or to levy additional fees, or
- (d) the Fund or the Management Company redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.

**"Maturity Date"** means the Maturity Date as specified in § 1 of the Product and Underlying Data.

**["Maximum Additional Amount (k)"]** means the Maximum Additional Amount (k) as specified in § 1 of the Product and Underlying Data.]

**["Minimum Additional Amount (k)"]** means the Minimum Additional Amount (k) as specified in § 1 of the Product and Underlying Data.]

**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

**"NAV"** means the official net asset value (the **"Net Asset Value"**) for a Fund Share as published by the Fund or the Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.

**"Nominal Amount"** means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

**"Observation Date"** means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

**"Initial Observation Date"** means the Initial Observation Date as specified in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

**"Initial Observation Date"** means each of the Initial Observation Dates specified in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

**"Observation Date (k)"** means the Observation Date (k) as specified in § 1 of the Product and Underlying Data. If the Observation Date (k) is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Observation Date (k). The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

**"Participation Factor"** means the Participation Factor as specified in § 1 of the Product and Underlying Data.

**["Performance of the Underlying (k)"]** means the performance of the Underlying (k) using the following formula:

$$1/D(k) \times (R(k) / R(\text{initial}) - \text{Strike Level})$$

[In the case of Garant Geoscope Securities the following applies:

**"Performance of the Underlying (k)"** means the performance of the Underlying (k) using the following formula:

$$R(k) / R(\text{initial})$$

**"Portfolio Manager"** means the Portfolio Manager [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Portfolio Manager" column] as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

**"R (initial)"** means R (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"**R (initial)**" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (initial)**" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors determined on the Initial Observation Dates.]

[In other cases, the following applies:

"**R (initial)**" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]]

[In the case of Securities with Best-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (initial)**" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-in Period.]

[In other cases, the following applies:

"**R (initial)**" means the highest Reference Price during the Best-in Period.]]

[In the case of Securities with Worst-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (initial)**" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-in-Period.]

[In other cases, the following applies:

"**R (initial)**" means the lowest Reference Price during the Worst-in Period.]]

"**R (k)**" means the Reference Price on the respective Observation Date (k).

"**Redemption Amount**" means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Price**" means the Reference Price of the Underlying as specified in § 1 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Reference Price Adjustment Factor**" means, in relation to an Observation Date, the product of all the Underlying Distribution Factors for which the Underlying Distribution Ex-Date falls into [the period] [the time] between the First Day of the Distribution Observation Period (exclusive) and the respective Observation Date (inclusive).]

"**Security Holder**" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days within which settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of that Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

["**Strike**" means the Strike [as specified in § 1 of the Product and Underlying Data][R (initial) x Strike Level].]

"**Strike Level**" means the Strike Level [as specified in § 1 of the Product and Underlying Data].

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a Fund Share as specified in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Underlying Distribution**" means each cash distribution specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] that is declared and paid by the Fund or the Management Company in respect of the Underlying.

"**Underlying Distribution Date**" means, in relation to an Underlying Distribution, the Calculation Date immediately prior to the respective Underlying Distribution Ex-Date.

"**Underlying Distribution Ex-Date**" means, in relation to an Underlying Distribution, the first day on which the NAV is published having been reduced by that Underlying Distribution.

"**Underlying Distribution Factor**" means the Underlying Distribution Factor calculated by the Calculation Agent in respect of each Underlying Distribution Ex-Date within the Underlying Distribution Observation Period as the total of (i) one and (ii) the quotient of the respective Underlying Distribution (net) and the NAV on the respective Underlying Distribution Date.

"**Underlying Distribution (net)**" means, in relation to an Underlying Distribution, that Underlying Distribution less an amount determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] equal to the taxes, levies, retentions, deductions or other charges that would arise with respect to the cash distribution for a private investor fully liable to tax in Germany if he were the holder of the Underlying.

"**Underlying Distribution Observation Period**" means each Calculation Date between the First Day of the Distribution Observation Period (exclusive) and the Last Day of the Distribution Observation Period.]

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

## § 2

### Interest, Additional Amount

- (1) *Interest:* The Securities do not bear interest.

[In the case of Garant Telescope Securities with an conditional Additional Amount, the following applies:

- (2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Garant Telescope Securities with an unconditional Additional Amount, the following applies:

- (2) *Additional Amount:* The corresponding Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

[In the case of Garant Geoscope Securities with a conditional Additional Amount, the following applies:

- (2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x (Geometric Average Performance of the Underlying (k) – Strike Level).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Garant Geoscope Securities with an unconditional Additional Amount, the following applies:

- (2) *Additional Amount:* The Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x (Geometric Average Performance of the Underlying (k) – Strike Level).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

### § 3

#### **Redemption**

*Redemption:* The Securities shall be redeemed by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

### § 4

#### **Redemption Amount**

*Redemption Amount:* The Redemption Amount equals the Minimum Amount.

## § 5

### Issuer's Conversion Right

(1) Issuer's conversion right: If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

(2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]

[The right for payment of the Additional Amount (k) ceases to exist in relation to all Additional Amount Payment Dates (k) following the occurrence of a Conversion Event.]

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

(1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

(1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]

(2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.

(3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.

(4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

(5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

## § 7

## Market Disruption Events

(1) *Postponement*: Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date (k), the respective Observation Date (k) will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date (k) shall be postponed if applicable. No interest is due because of such postponement.

(2) *Discretionary valuation*: Should the Market Disruption Event continue for more than [*Insert number of Banking Days*] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [*Insert time and financial centre*] on this [*Insert number of the following Banking Day*] Banking Day, taking into account the financial position of the Security Holders.

## § 8

### Index Concept, Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

(1) *Adjustments*: Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price for the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.

(2) *Replacement Underlying*: In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

(3) *Replacement Specification*: If an NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

(3) *Replacement Specification:* If an NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

(4) If the Underlying is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]]

## Option 14: Securities linked to Target Vol Strategies

[Option 14: In the case of Securities linked to Target Vol Strategies, the following applies:]

### § 1

#### Definitions

"**Adjustment Event**" means in the reasonable discretion (§ 315 BGB) of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents<sub>i</sub> without the consent of the Calculation Agent which in the reasonable discretion (§ 315 BGB) of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund<sub>i</sub>, (ii) the investment objectives or investment strategy or investment restrictions of the Fund<sub>i</sub>, (iii) the currency of the Fund Shares<sub>i</sub>, (iv) the method of calculating the NAV<sub>i</sub> or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares<sub>i</sub>;
- (b) requests for the issue, redemption or transfer of Fund Shares<sub>i</sub> are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares<sub>i</sub> (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or Fund Services Provider<sub>i</sub> appointed for this purpose by the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to publish NAV<sub>i</sub> as scheduled or in accordance with normal practice or as specified in Fund Documents<sub>i</sub>;
- (e) a change in the legal form of the Fund<sub>i</sub>;
- (f) a change of significant individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub>;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund<sub>i</sub> or the Management Company<sub>i</sub>; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund<sub>i</sub> or the Management Company<sub>i</sub>; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund<sub>i</sub> by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund<sub>i</sub>, the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub>, or of individuals in key positions at the Management Company<sub>i</sub> or in the Fund Management<sub>i</sub> as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the Fund<sub>i</sub> or the Management Company<sub>i</sub> of the investment objectives, the investment strategy or the investment restrictions of the Fund<sub>i</sub> (as defined in the Fund Documents<sub>i</sub>) that is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund<sub>i</sub> or the Management Company<sub>i</sub>;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares<sub>i</sub>, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent (§ 315 BGB) in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the

- Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares<sub>i</sub> outstanding;
  - (l) the Issuer is required to consolidate the Fund<sub>i</sub> as a result of accounting or other regulations;
  - (m) the sale or redemption of the Fund Shares<sub>i</sub> for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
  - (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares<sub>i</sub> or of the redemption of existing Fund Shares<sub>i</sub> or (ii) the reduction of the number of Fund Shares<sub>i</sub> of a shareholder in the Fund<sub>i</sub> for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares<sub>i</sub> or (iv) payments in respect of a redemption of Fund Shares<sub>i</sub> being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
  - (o) the Management Company<sub>i</sub> or a Fund Services Provider<sub>i</sub> discontinues its services for the Fund<sub>i</sub> or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent (§ 315 BGB) is of similarly good standing;
  - (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund<sub>i</sub> or the Fund Shares<sub>i</sub>, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund<sub>i</sub> or the merger of the Fund<sub>i</sub> into or with another fund, (iii) a requirement to transfer all the Fund Shares<sub>i</sub> to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares<sub>i</sub> by the shareholders;
  - (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company<sub>i</sub>;
  - (r) the Issuer loses the right to use the Fund<sub>i</sub> as a Basket Component for the Securities;
  - (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion (§ 315 BGB) of the Calculation Agent;
  - (t) no notification is given of the bases of taxation for the Fund<sub>i</sub> in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz*, "**InvStG**") or the Fund<sub>i</sub> or the Management Company<sub>i</sub> has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
  - (u) changes in the investment or distribution policy of the Fund<sub>i</sub> which could have a substantial negative effect on the amount of the Fund<sub>i</sub>'s distributions as well as distributions which diverge significantly from the Fund<sub>i</sub>'s normal distribution policy to date;
  - (v) the Fund<sub>i</sub> or the Management Company<sub>i</sub> or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund<sub>i</sub> in a significant respect or terminates that agreement;
  - (w) the Fund<sub>i</sub> or the Management Company<sub>i</sub>, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund<sub>i</sub>'s investment guidelines or restrictions in a timely manner;

- (x) the Fund<sub>i</sub> or the Management Company<sub>i</sub> fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on NAV<sub>i</sub> or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) NAV<sub>i</sub> is no longer published in the Currency of the Basket Component<sub>i</sub>.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

**"Administrator<sub>i</sub>"** means the Administrator<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as the Administrator of the Fund<sub>i</sub>, as so specified in the "Administrator<sub>i</sub>" column, each and every reference to the Administrator<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

**"Aggregate Nominal Amount"** means the Aggregate Nominal Amount of the series as specified in § 1 of the Product and Underlying Data.

**"Auditor<sub>i</sub>"** means the Auditor<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as the Auditor of the Fund<sub>i</sub>, each and every reference to the Auditor<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor<sub>i</sub>.

*[In the case of Securities where the Specified Currency is the Euro, the following applies:*

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("TARGET2") are open for business.]

*[In the case of Securities where the Specified Currency is not the Euro, the following applies:*

**"Banking Day"** means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

*[In the case of Securities where the Specified Currency is not the Euro, the following applies:*

**"Banking Day Financial Centre"** means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

**"Basket Component<sub>i</sub>"** means the respective Fund Share<sub>i</sub> as specified in § 1 of the Product and Underlying Data (and collectively the **"Basket Components"**).

**"Basket Volatility"** means the Basket Volatility as calculated by the Calculation Agent pursuant to § 4 (4) of the Special Conditions.

**"Calculation Agent"** means the Calculation Agent as specified in § 2 (2) of the General Conditions.

**"Calculation Date"** means each day on which the Reference Price<sub>i</sub> for all Basket Components is normally published by the respective Fund<sub>i</sub> or of the respective Management Company<sub>i</sub>.

**"Change in Law"** means that due to

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion (§ 315 BGB) of the Issuer

- [(a)] the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer [or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment).]

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System(s)].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion (§ 315 BGB).

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

"**Conversion Event**" means Fund Conversion Event.

"**Currency of the Basket Component<sub>i</sub>**" means the Currency of the Basket Component<sub>i</sub> as specified in § 2 of the Product and Underlying Data.

"**Custodian Bank<sub>i</sub>**" means the Custodian Bank<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as the Custodian Bank of the Fund<sub>i</sub>, each and every reference to the Custodian Bank<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

"**Days<sub>t-1,t</sub>**" means the number of calendar days from and including Calculation Date<sub>t-1</sub> to but excluding Calculation Date<sub>t</sub>.

"**Designated Maturity**" means the Designated Maturity as specified in § 1 of the Product and Underlying Data.

"**Dynamic Weight<sub>t</sub> (DW<sub>t</sub>)**" means the Dynamic Weight with respect to Calculation Date<sub>t</sub> as calculated by the Calculation Agent pursuant to § 4 (3) of the Special Conditions.

"**Dynamic Weight<sub>t-1</sub> (DW<sub>t-1</sub>)**" means the Dynamic Weight on the Calculation Date immediately preceding Calculation Date<sub>t</sub>.

"**Exercise Date**" means the [last] Final Observation Date.

["**Fee<sub>Basket</sub> (Fee<sub>Basket</sub>)**" means the Fee<sub>Basket</sub> as specified in § 1 of the Product and Underlying Data.]

["**Fee<sub>Rate</sub> (Fee<sub>Rate</sub>)**" means the Fee<sub>Rate</sub> as specified in § 1 of the Product and Underlying Data.]

["**Fee<sub>Strat</sub> (Fee<sub>Strat</sub>)**" means the Fee<sub>Strat</sub> as specified in § 1 of the Product and Underlying Data.]

["**Fee<sub>TVL</sub> (Fee<sub>TVL</sub>)**" means the Fee<sub>TVL</sub> as specified in § 1 of the Product and Underlying Data.]

"**Final Strategy Calculation Date**" means the [last] Final Observation Date.

**"First Trade Date"** means the First Trade Date as specified in § 1 of the Product and Underlying Data.

**"Floor Level"** means the Floor Level as specified in § 1 of the Product and Underlying Data.

**"Fund<sub>i</sub>"** means, in relation to a Fund Share<sub>i</sub>, the investment fund issuing that Fund Share<sub>i</sub> or the fund in whose assets the Fund Share<sub>i</sub> represents a proportional interest.

**"Fund Conversion Event"** means each of the following events:

- [(a) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Replacement Basket Component is available;]
- [(●) in the reasonable discretion (§ 315 BGB) of the Calculation Agent no Replacement Management Company<sub>i</sub> is available;
- [(●) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s] [;
- [(●) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (respectively a **"Fund Replacement Event"**)].

**"Fund Documents<sub>i</sub>"** means, in relation to a Fund<sub>i</sub>, in each case, if available and in the respective valid version: the annual report, the half-yearly report[, the interim reports], the sales prospectus, the terms and conditions of the Fund<sub>i</sub>, as well as, if applicable, the articles of association, the key investor information document and all other documents of the Fund<sub>i</sub> in which the terms and conditions of the Fund<sub>i</sub> and of the Fund Shares<sub>i</sub> are specified.

**"Fund Management<sub>i</sub>"** means the persons responsible for the portfolio and/or the risk management of the Fund<sub>i</sub>.

**"Fund Services Provider<sub>i</sub>"** means, if available, the Administrator<sub>i</sub>, the Investment Adviser<sub>i</sub>, the Custodian Bank<sub>i</sub>, the Management Company<sub>i</sub>, the Portfolio Manager<sub>i</sub> and the Auditor<sub>i</sub>.

**"Fund Share<sub>i</sub>"** means a unit or share of the Fund<sub>i</sub> and of the class set out in the "Basket Component<sub>i</sub>" column in § 1 of the Product and Underlying Data.

**["Hedging Disruption"** means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.]

**["Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion (§ 315 BGB) of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.]

**"Initial Strategy Calculation Date"** means the [first] Initial Observation Date.

**"Investment Adviser<sub>i</sub>"** means the Investment Adviser<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution as so specified in the "Investment Adviser<sub>i</sub>" column as the Investment Adviser<sub>i</sub> of the Fund<sub>i</sub>, each and every refer-

ence to the Investment Adviser<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

**"Issue Date"** means the Issue Date as specified in § 1 of the Product and Underlying Data.

*[In the case of an Issuing Agent, the following applies:]*

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

**"j"** means an integer number representing each number from and including the number 1 to and including the VOP.

**"k"** means an integer number representing each number from and including the number 1 to and including the VOP.

**"Ln ( )"** means the natural logarithm of the base in brackets.

**"K<sub>i</sub> (t)"** means the Reference Price<sub>i</sub> with respect to the Calculation Date<sub>t</sub>.

**"K<sub>i</sub> (t-1)"** means the Reference Price<sub>i</sub> with respect to the Calculation Date immediately preceding the Calculation Date<sub>t</sub>.

**"Level of the Target Vol Strategy"** means the Level of the Target Vol Strategy as specified or calculated by the Calculation Agent pursuant to § 4 (2) of the Special Conditions.

**"Level of the Target Vol Strategy<sub>t</sub> (TVL<sub>t</sub>)"** means the Level of the Target Vol Strategy on the Calculation Date<sub>t</sub>.

**"Level of the Target Vol Strategy<sub>t-1</sub> (TVL<sub>t-1</sub>)"** means the Level of the Target Vol Strategy on the Calculation Date immediately preceding Calculation Date<sub>t</sub>.

**"Management Company<sub>i</sub>"** means the Management Company<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> specifies another person, company or institution as the Management Company<sub>i</sub> of the Fund<sub>i</sub>, each and every reference to the Management Company<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

**"Market Disruption Event"** means each of the following events:

- (a) the failure to calculate or the non-publication of the calculation of the NAV<sub>i</sub> as a result of a decision by the Management Company or by the Fund Services Provider on behalf of the Management Company,
- (b) the closure, conversion or insolvency of the Fund<sub>i</sub> or other circumstances which make it impossible to determine the NAV<sub>i</sub>, or
- (c) it is not possible to trade Fund Shares<sub>i</sub> at the NAV<sub>i</sub>. This also covers cases in which the Fund<sub>i</sub> or the Management Company<sub>i</sub> or the Fund Services Provider on their behalf decides to suspend the redemption or issue of the Fund Shares<sub>i</sub> for a specified period or to restrict the redemption or issue of the Fund Shares<sub>i</sub> to a specified portion of the volume of the Fund<sub>i</sub> or to levy additional fees, or
- (d) the Fund<sub>i</sub> or the Management Company<sub>i</sub> redeems the Fund Shares<sub>i</sub> in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund<sub>i</sub> are listed or traded,

to the extent that that event is material in the reasonable discretion (§ 315 BGB) of the Calculation Agent.

**"Maturity Date"** means the Maturity Date as specified in § 1 of the Product and Underlying Data.

**"Maximum Weight"** means the Maximum Weight as specified in § 1 of the Product and Underlying Data.

**"Minimum Amount"** means the Minimum Amount as specified in § 1 of the Product and Underlying Data.

**"Minimum Weight"** means the Minimum Weight as specified in § 1 of the Product and Underlying Data.

**"N"** means the number of the Basket Components as specified in § 1 of the Product and Underlying Data.

**"NAV<sub>i</sub>"** means the official net asset value (the **"Net Asset Value"**) for a Fund Share<sub>i</sub> as published by the Fund<sub>i</sub> or the Management Company<sub>i</sub> or by a third person on their behalf and at which it is actually possible to redeem the Fund Shares<sub>i</sub>.

**"Nominal Amount"** means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

**"Observation Date"** means each of the following Observation Dates:

**"Initial Observation Date"** means [the Initial Observation Date] [each of the Initial Observation Dates] specified in § 1 of the Product and Underlying Data. If [the] [an] Initial Observation Date is not a Calculation Date for one or some of the Basket Components, the immediately following Banking Day which is a Calculation Date shall be the [respective] Initial Observation Date for all Basket Components.]

**"Final Observation Date"** means [the Final Observation Date] [each of the Final Observation Dates] specified in § 1 of the Product and Underlying Data. If [the] [a] Final Observation Date is not a Calculation Date for one or some of the Basket Components, the immediately following Banking Day which is a Calculation Date shall be the [respective] Final Observation Date for all Basket Components. [If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed accordingly.] No interest is due because of such postponement.]

**"Participation Factor"** means the Participation Factor as specified in § 1 of the Product and Underlying Data.

**"Performance of the Basket Component<sub>i,t</sub>"** means the Performance of the Basket Component<sub>i</sub>, calculated by the Calculation Agent with respect to the Calculation Date<sub>t</sub>, as the quotient of  $K_i(t)$ , as the numerator, and  $K_i(t-1)$ , as the denominator.

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 1 of the Product and Underlying Data.

**"Portfolio Manager<sub>i</sub>"** means the Portfolio Manager<sub>i</sub> [if specified in § 2 of the Product and Underlying Data] [as specified in the Fund Documents<sub>i</sub>] [of the Fund<sub>i</sub>]. If the Fund<sub>i</sub> or the Management Company<sub>i</sub> specifies another person, company or institution [as so specified in the "Portfolio Manager<sub>i</sub>" column] as the Portfolio Manager<sub>i</sub> of the Fund<sub>i</sub>, each and every reference to the Portfolio Manager<sub>i</sub> in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

[In the case of Securities with final Reference Price observation, the following applies:

**"R (final)"** means the Level of the Target Vol Strategy on the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

**"R (final)"** means the arithmetic average of the Levels of the Target Vol Strategy on the Final Observation Dates.]

[In the case of Securities where R (initial) has already been specified, the following applies:

**"R (initial)"** means R (initial) as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with initial Reference Price observation, the following applies:

**"R (initial)"** means the Level of the Target Vol Strategy on the Initial Observation Date.]

[In the case of Securities with initial average observation, the following applies:]

"**R (initial)**" means the arithmetic average of the Levels of the Target Vol Strategy on the Initial Observation Dates.]

"**Rate<sub>t-1</sub>**" means the Reference Rate determined on the Reference Rate Reset Date with respect to the Calculation Date immediately preceding Calculation Date<sub>t</sub>.

"**Redemption Amount**" means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 (1) of the Special Conditions.

"**Reference Price<sub>i</sub>**" means the Reference Price<sub>i</sub> as specified in § 1 of the Product and Underlying Data.

"**Reference Rate**" means the offered rate (expressed as a percentage per annum) for deposits in [the Specified Currency] [*Insert other currency*] with the corresponding Designated Maturity displayed on the Screen Page around [*insert time*] on the relevant Reference Rate Reset Date. If either the Screen Page is not available or no such offered rate is displayed at the time specified, then the Calculation Agent shall determine another Reuters or Bloomberg page in its reasonable discretion (§ 315 BGB), where a comparable offered rate (expressed as a percentage per annum) is displayed or determine such comparable offered rate by reference to such sources as it may select in its reasonable discretion (§ 315 BGB) in respect of such date. Such determinations will be published by means of a notice given in accordance with § 6 of the General Conditions.

"**Reference Rate Reset Date**" means the [[*insert number of days*] Calculation Date immediately preceding the] Calculation Date<sub>t</sub>.

"**Return of Basket<sub>t</sub>**" means the Return of Basket<sub>t</sub> as calculated by the Calculation Agent with respect to the Calculation Date<sub>t</sub> in accordance with the following formula:

$$\text{Return of Basket}_t = \sum_{i=1}^N \sum_{t=1}^N (\text{Performance of the Basket Component}_{i,t} \times W_i) - 1$$

"**Return of Basket<sub>t-VOP-Offset+j</sub>**" means the Return of Basket as calculated by the Calculation Agent for the Calculation Date falling VOP-Offset+j Calculation Dates prior to the respective Calculation Date<sub>t</sub>.

"**Return of Basket<sub>t-VOP-Offset+k</sub>**" means the Return of Basket as calculated by the Calculation Agent for the Calculation Date falling VOP-Offset+k Calculation Dates prior to the respective Calculation Date<sub>t</sub>.

"**Screen Page**" means the Screen Page and, if applicable, the corresponding heading as indicated in § 1 of the Product and Underlying Data.

"**Security Holder**" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:]

"**Settlement Cycle**" means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"**Strike**" means the Strike as specified in § 1 of the Product and Underlying Data.

"**Target Volatility**" means the Target Volatility as specified in § 1 of the Product and Underlying Data.

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a basket (the "**Basket**") consisting of the Basket Components.

"**Volatility Observation Period (VOP)**" means the Volatility Observation Period as specified in § 1 of the Product and Underlying Data.

"**Volatility Observation Period Offset (Offset)**" means the Volatility Observation Period Offset as specified in § 1 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

"**Weighting; (W<sub>i</sub>)**" means the weighting allocated to the Basket Component<sub>i</sub> as specified in § 1 of the Product and Underlying Data.

## § 2

### Interest

The Securities do not bear interest.

## § 3

### Redemption

*Redemption:* The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

The Securities shall be deemed automatically exercised on the Exercise Date.

## § 4

### Redemption Amount, Level of the Target Vol Strategy, Dynamic Weight, Basket Volatility

- (1) *Redemption Amount:* The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (R (final) / R (initial) – Strike)).

However, the Redemption Amount is not less than the Minimum Amount.

- (2) *Level of the Target Vol Strategy:* On the Initial Strategy Calculation Date, the Level of the Target Vol Strategy (= TVL<sub>Initial</sub>) shall be defined as follows:

$$TVL_{Initial} = 100$$

The Level of the Target Vol Strategy on each Calculation Date<sub>t</sub> (= TVL<sub>t</sub>) from but excluding the Initial Strategy Calculation Date to and including the Final Strategy Calculation Date shall be determined by the Calculation Agent in accordance with the following formula:

$$[TVL_t = TVL_{t-1} \times (1 + DW_{t-1} \times \text{Return of Basket}_t + (1 - DW_{t-1}) \times \text{Rate}_{t-1} \times \text{Days}_{t-1,t} / 360)]$$

$$[TVL_t = TVL_{t-1} \times (1$$

$$+ DW_{t-1} \times \text{Return of Basket}_t$$

$$+ (1 - DW_{t-1}) \times (\text{Rate}_{t-1} - \text{Fee}_{\text{Rate}}) \times \text{Days}_{t-1,t} / 360)]$$

$$[TVL_t = TVL_{t-1} \times (1 - \text{Fee}_{TVL} \times \text{Days}_{t-1,t} / 360$$

$$+ DW_{t-1} \times \text{Return of Basket}_t$$

$$+ (1 - DW_{t-1}) \times \text{Rate}_{t-1} \times \text{Days}_{t-1,t} / 360)]$$

$$[TVL_t = TVL_{t-1} \times (1$$

$$\begin{aligned}
& + DW_{t-1} \times \text{Return of Basket}_t \\
& + (1 - DW_{t-1}) \times \text{Rate}_{t-1} \times \text{Days}_{t-1,t} / 360 \\
& - \text{Fee}_{\text{Strat}} \times \text{Days}_{t-1,t} / 360]
\end{aligned}$$

$$\begin{aligned}
[\text{TVL}_t = \text{TVL}_{t-1} \times (1 \\
- \text{Fee}_{\text{TVL}} \times \text{Days}_{t-1,t} / 360 \\
+ DW_{t-1} \times \text{Return of Basket}_t \\
+ (1 - DW_{t-1}) \times (\text{Rate}_{t-1} - \text{Fee}_{\text{Rate}}) \times \text{Days}_{t-1,t} / 360)]
\end{aligned}$$

$$\begin{aligned}
[\text{TVL}_t = \text{TVL}_{t-1} \times (1 \\
+ DW_{t-1} \times \text{Return of Basket}_t \\
+ (1 - DW_{t-1}) \times (\text{Rate}_{t-1} - \text{Fee}_{\text{Rate}}) \times \text{Days}_{t-1,t} / 360 \\
- \text{Fee}_{\text{Strat}} \times \text{Days}_{t-1,t} / 360]
\end{aligned}$$

$$\begin{aligned}
[\text{TVL}_t = \text{TVL}_{t-1} \times (1 \\
+ DW_{t-1} \times (\text{Return of Basket}_t - \text{Fee}_{\text{Basket}} \times \text{Days}_{t-1,t} / 360) \\
+ (1 - DW_{t-1}) \times \text{Rate}_{t-1} \times \text{Days}_{t-1,t} / 360)]
\end{aligned}$$

$$\begin{aligned}
[\text{TVL}_t = \text{TVL}_{t-1} \times (1 \\
+ DW_{t-1} \times (\text{Return of Basket}_t - \text{Fee}_{\text{Basket}} \times \text{Days}_{t-1,t} / 360) \\
+ (1 - DW_{t-1}) \times (\text{Rate}_{t-1} - \text{Fee}_{\text{Rate}}) \times \text{Days}_{t-1,t} / 360)]
\end{aligned}$$

$$\begin{aligned}
[\text{TVL}_t = \text{TVL}_{t-1} \times (1 \\
- \text{Fee}_{\text{TVL}} \times \text{Days}_{t-1,t} / 360 \\
+ DW_{t-1} \times (\text{Return of Basket}_t - \text{Fee}_{\text{Basket}} \times \text{Days}_{t-1,t} / 360) \\
+ (1 - DW_{t-1}) \times (\text{Rate}_{t-1} - \text{Fee}_{\text{Rate}}) \times \text{Days}_{t-1,t} / 360)]
\end{aligned}$$

$$\begin{aligned}
[\text{TVL}_t = \text{TVL}_{t-1} \times (1 \\
+ DW_{t-1} \times (\text{Return of Basket}_t - \text{Fee}_{\text{Basket}} \times \text{Days}_{t-1,t} / 360) \\
+ (1 - DW_{t-1}) \times (\text{Rate}_{t-1} - \text{Fee}_{\text{Rate}}) \times \text{Days}_{t-1,t} / 360 \\
- \text{Fee}_{\text{Strat}} \times \text{Days}_{t-1,t} / 360]
\end{aligned}$$

$$\begin{aligned}
[\text{TVL}_t = \text{TVL}_{t-1} \times (1 \\
- \text{Fee}_{\text{TVL}} \times \text{Days}_{t-1,t} / 360 \\
+ DW_{t-1} \times (\text{Return of Basket}_t - \text{Fee}_{\text{Basket}} \times \text{Days}_{t-1,t} / 360) \\
+ (1 - DW_{t-1}) \times (\text{Rate}_{t-1} - \text{Fee}_{\text{Rate}}) \times \text{Days}_{t-1,t} / 360 \\
- \text{Fee}_{\text{Strat}} \times \text{Days}_{t-1,t} / 360]
\end{aligned}$$

This means: The Level of the Target Vol Strategy on each Calculation Date<sub>t</sub> will be calculated by the Calculation Agent as the product of (a) the Level of the Target Vol Strategy with respect to the Calculation Date immediately preceding Calculation Date<sub>t</sub> and (b) the sum of (i) one, (ii) the dynamically weighted Return of the Basket with respect to the Calculation Date<sub>t</sub> and (iii) the dynamically weighted daily fraction (Act/360) of the Reference Rate. [The calculation takes into account [the Fee<sub>TVL</sub>] [,] [and] [the Fee<sub>Basket</sub>] [,] [and] [the Fee<sub>Rate</sub>] [and] [the Fee<sub>Strat</sub>] by way of deduction.]

- (3) *Dynamic Weight:* The Calculation Agent shall determine the Dynamic Weight on each Calculation Date<sub>t</sub> (= DW<sub>t</sub>) from and including the Initial Strategy Calculation Date as follows:

$$DW_t = \frac{\text{Target Volatility}}{\text{Basket Volatility}_t}$$

However,  $DW_t$  is not less than the Minimum Weight and not greater than the Maximum Weight.

- (4) *Basket Volatility*: The Calculation Agent shall determine the Basket Volatility $_t$  in respect of the Volatility Observation Period on each Calculation Date $_t$  from and including the Initial Strategy Calculation Date in accordance with the following formula:

$$\text{Basket Volatility}_t = \sqrt{\frac{1}{\text{VOP} - 1} \times \sum_{j=1}^{\text{VOP}} (\text{LnBasketPerformance}_{t-\text{VOP}-\text{Offset}+j} - \text{LnAverageBasketPerformance}_{t-\text{Offset}})^2 \times \sqrt{252}}$$

Where:

$\text{LnBasketPerformance}_{t-\text{VOP}-\text{Offset}+j}$  means  $\text{Ln}(1 + \text{Return of Basket}_{t-\text{VOP}-\text{Offset}+j})$

$\text{LnAverageBasketPerformance}_{t-\text{Offset}}$  means  $\frac{1}{\text{VOP}} \times \sum_{k=1}^{\text{VOP}} \text{Ln}(1 + \text{Return of Basket}_{t-\text{VOP}-\text{Offset}+k})$

## § 5

### Issuer's Conversion Right

*Issuer's conversion right*: If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion (§ 315 BGB), determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions. [The application of §§ 313, 314 BGB remains reserved.]

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

## § 6

### Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding*: The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding*: The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention*: If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge*: All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The

payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.

- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

## § 7

### Market Disruption Events

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.

- (2) *Omission:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on a Calculation Date that is not an Observation Date, the Level of the Target Vol Strategy, the Dynamic Weight and the Return of Basket shall not be calculated with respect to such date and such date shall not be considered in the calculation of the Basket Volatility.
- (3) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion (§ 315 BGB) the respective Reference Price<sub>i</sub> required for the calculations or specifications described in the Terms and Conditions. Such Reference Price<sub>i</sub> shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.]

## § 8

### Adjustments, Replacement Basket Component, Replacement Specification, Replacement Management Company

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion (§ 315 BGB) adjust these Terms and Conditions (in particular the respective Basket Component<sub>i</sub>, the Ratio and/or all prices of the Basket Component<sub>i</sub> specified by the Issuer) and/or all prices of the respective Basket Component<sub>i</sub> determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the respective Basket Component<sub>i</sub>. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Basket Component:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion (§ 315 BGB) determining which Fund or Fund Share should be used in the future as the respective Basket Component<sub>i</sub> (the "**Replacement Basket Component**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Basket Component<sub>i</sub>, the ratio and/or all prices of the respective Basket Component<sub>i</sub> specified by the Issuer) and/or all prices of the Basket Component<sub>i</sub> determined by the Calculation Agent pursuant to these Terms

and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Basket Component and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Basket Component, any reference to the Basket Component, in these Terms and Conditions shall be deemed to refer to the Replacement Basket Component, unless the context provides otherwise.]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

[(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

[(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component, then the relevant value will not be specified again.]

[(3)] [(4)] If the Basket Component, is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[The application of §§ 313, 314 BGB remains reserved.]]

## **CONDITIONS OF THE SECURITIES INCORPORATED BY REFERENCE IN THE BASE PROSPECTUS**

In connection with Securities which are publicly offered or admitted to trading for the first time before the date of this Base Prospectus and in connection with an increase of Securities the following Conditions of the Securities as included in the Base Prospectus for the issuance of Fund-linked Securities under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG and the Euro 1,000,000,000 Debt Issuance Programme of UniCredit International Bank (Luxembourg) S.A. dated 20 October 2014 are hereby incorporated by reference into this Base Prospectus:

- Conditions of the Securities – Part C Special Conditions of the Securities – Option 2: Fund Index Securities; and
- Conditions of the Securities – Part C Special Conditions of the Securities – Option 10: Fund Index Telescope Securities.

A list setting out the information incorporated by reference is provided on page 439 et seq.

## DESCRIPTION OF INDICES COMPOSED BY THE ISSUER OR BY ANY LEGAL ENTITY BELONGING TO THE SAME GROUP

The description of indices composed by the Issuer or by any legal entity belonging to the same group included in the base prospectus of UniCredit Bank AG dated 21 February 2014 for the issuance of Worst-of Bonus Securities, Worst-of Express Securities and Worst-of Express Cash Collect Securities is hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 439 et seq.

### DESCRIPTION OF HVB MULTI MANAGER BEST SELECT FLEX INDEX

The following Index Description outlines the key data for the "**HVB Multi Manager Best Select Flex Index**" (the "**HVB Multi Manager Best Select Flex Index**") compiled by the Issuer. This description is subject to amendments or adjustments from time to time after the date of this Base Prospectus in relation to which the Issuer will publish a related supplement to this Base Prospectus.

The HVB Multi Manager Best Select Flex Index (WKN A1YD46 / ISIN DE000A1YD465) (the "**Index**") is an index developed and designed by UniCredit Bank AG, Munich, Germany, or any successor thereto (the "**Index Sponsor**") and calculated by UniCredit Bank AG, Munich, Germany, or any successor determined by the Index Sponsor (the "**Index Calculation Agent**") in euro (the "**Index Currency**") in accordance with the index rules set out below (the "**Index Rules**") whose objective is to participate in the performance of the Reference Fund, while aiming to control the frequency and degree of fluctuations in the value (volatility) of the Reference Portfolio (the "**Objective of the Index**").

#### Section A. - Definitions, general information

##### I. Definitions

For the purposes of this description (the "**Index Description**"), the following terms have the following meanings:

##### *Definitions regarding the Index:*

"**Hedging Transactions**" means one or more trades, transactions or investments (especially securities (including Fund Shares), options, futures, derivatives and foreign currency transactions, repos or securities lending transactions or other instruments or measures) which are required for an Issuer and/or any Hedging Party to hedge price risks or other risks at standalone or portfolio basis arising from obligations with regard to the Index or with regard to Debt Securities or other financial instruments linked to the Index (i.e. financial instruments whose payments are linked to the performance of the Index). The Index Sponsor will determine in its reasonable discretion (§ 315 of the German Civil Code (*Bürgerliches Gesetzbuch*; "**BGB**")) whether any such Hedging Transactions are required.

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the principal domestic clearance system customarily used to settle trades regarding the Index Components and the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) are open.

"**Issuer**" means an issuer of Debt Securities.

"**Fund Event**" means any event defined as a Fund Event in *Section D. - I. General extraordinary adjustments of this Index Description*.

"**Money Market Investment**" means a hypothetical investment in cash and money market instruments from the European single currency area. The performance of this investment is reflected by the Reference Index.

"**Hedging Party**" means the Index Sponsor (as at the Index Start Date). The Index Sponsor is entitled at any time to appoint another person or company to act as Hedging Party (the "**Successor Hedging Party**"). The appointment of a Successor Hedging Party will be published in accordance with *Section F. - Publication of this Index Description*.

"**Hypothetical Investor**" means, in relation to any Fund Shares, a hypothetical investor in such Fund Shares which (i) has the legal form of a company incorporated in Germany, (ii) is deemed, with respect to the rights and obligations, to have the position of an investor in Fund Shares on the relevant Index Valuation Date, as determined in the Fund Documents, and (iii) is deemed to have the possibili-

ties of such investor in relation to the subscription and redemption of Fund Shares as at the relevant Index Valuation Date.

**"Index( $t_j$ )"** means the Index Value at Index Valuation Date  $t_j$ . Index ( $t_j$ ) is calculated by the Index Calculation Agent for every Index Valuation Date  $t_j$  in accordance with the provisions set forth in *Section C. - Calculation of the Index of this Index Description*.

**"Index Components"** means the Fund Shares included in the Index at any given time and the Reference Index.

**"Index Valuation Date"** means any Banking Day that is a Reference Index Calculation Date and on which it is actually possible to issue and redeem Fund Shares as described in the Fund Documents.

**"Index Event"** means any event defined as an Index Event in *Section D. - I. General extraordinary adjustments of this Index Description*.

**"Index Start Date"** means 4 March 2014.

**"Index Initial Value"** means 100.00.

**"Index Value"** means the value (expressed in euro) of the Index on any given Index Valuation Date as calculated by the Index Calculation Agent.

**"Reference Portfolio"** means a hypothetical portfolio of the Hypothetical Investor which contains both Fund Shares and the Money Market Investment in variable weightings. The Reference Portfolio has a value at the Index Start Date equal to the Index Initial Value (expressed in euro).

**"Debt Securities"** means all outstanding debt securities of a company affiliated with the Index Sponsor (section 15 of the German Stock Corporation Act (*Aktiengesetz*)) at a given time for which payment of principal and/or interest depends on the performance of the Index.

**" $t_j$ "** means the  $j$ -th Index Valuation Date. The Index Start Date is shown as  $t_0$ , previous Index Valuation Dates are numbered with negative indices and subsequent Index Valuation Dates are numbered with positive indices, resulting in (... ,  $t_{-2}$ ,  $t_{-1}$ ,  $t_0$ ,  $t_1$ ,  $t_2$ , ...).

**" $t_{j-p}$ "** means the  $p$ -th Index Valuation Date prior to the Index Valuation Date  $t_j$ .

**" $t_{j-p-2}$ "** means the second Index Valuation Date prior to the Index Valuation Date  $t_{j-p}$ .

**" $t_{j-p-3}$ "** means the third Index Valuation Date prior to the Index Valuation Date  $t_{j-p}$ .

**" $t^*_j$ "** or **"Reinvestment Date"** means, in relation to a Distribution, the Index Valuation Date immediately following the relevant Distribution Payment Date.

*Definitions regarding the Reference Fund:*

**"Auditor"** means Deloitte & Touche GmbH and/or any other auditor appointed by the Management Company to audit the Reference Fund and its annual financial statements.

**"Distribution"** means a cash distribution which the Reference Fund would pay per Fund Share to the Hypothetical Investor on a Distribution Payment Date.

**"Distribution Payment Date"** means, in relation to a Distribution, the day on which such Distribution would be received by the Hypothetical Investor.

**" $d(t_j)$ "** means either (i)  $d(t^*_j)$  on each Index Valuation Date  $t_j$  between any Ex-Date (inclusive) and the corresponding Reinvestment Date  $t^*_j$  (exclusive) or (ii) zero on any other Index Valuation Date  $t_j$ .

**" $d(t^*_j)$ "** means the present value (in euro) of the relevant Distribution (less costs and taxes, if any, incurred by the Hypothetical Investor in relation to the Distribution) as at the Ex-Date immediately preceding the relevant Reinvestment Date  $t^*_j$ .

**"Ex-Date"** means, in relation to a Distribution, the first day on which the Net Asset Value is published by the Management Company, having been reduced by that Distribution.

**"Fund Share"** or **"Fund Shares"** means a share or shares in the Reference Fund (WKN A1W9BL / ISIN DE000A1W9BL3).

**"Fund Services Provider"** means the Auditor, the Custodian Bank or the Management Company.

**"Fund Documents"** means the annual report and the half-yearly report, the prospectus (including fund rules), the key investor information and all other documents of the Reference Fund which specify the terms and conditions of the Reference Fund and the Fund Shares, as amended. The Fund Documents, as amended, are available on the website [www.pioneerinvestments.de](http://www.pioneerinvestments.de) (or any successor site). The information contained therein is also maintained by UniCredit Bank AG, LCD7SR, Arabellastraße 12, 81925 Munich, Germany, to be issued to the public free of charge during normal business hours.

**"Fund Management"** means the persons responsible for the portfolio and/or risk management of the Reference Fund.

**"Net Asset Value"** or **"NAV"** means the official net asset value for a Fund Share, as published by the Management Company and at which it is actually possible to redeem Fund Shares.

**"NAV( $t_j$ )"** means the Net Asset Value of a Fund Share on Index Valuation Date  $t_j$ .

**"NAV( $t_{j-1}$ )"** means the Net Asset Value of a Fund Share on Index Valuation Date  $t_{j-1}$ .

**"NAV( $t^*_j$ )"** means the Net Asset Value of a Fund Share on Reinvestment Date  $t^*_j$ .

**"NAV<sup>A</sup>( $t_j$ )"** means the Net Asset Value of a Fund Share on Index Valuation Date  $t_j$ , after taking account of all Distributions made and reinvested, if applicable, up to such Index Valuation Date  $t_j$ , which is calculated by the Index Calculation Agent in accordance with the formula specified in *Section C. – I. Calculation of the Index Value*.

**"NAV<sup>A</sup>( $t_{j-1}$ )"** means the Net Asset Value of a Fund Share on Index Valuation Date  $t_{j-1}$ , after taking account of all Distributions made and reinvested, if applicable, up to such Index Valuation Date  $t_{j-1}$ , which is calculated by the Index Calculation Agent on the basis of the formula specified in *Section C. – I. Calculation of the Index Value* for the purposes of calculating NAV<sup>A</sup>( $t_j$ ).

**"NAV<sup>A</sup>( $t_{j-p-2}$ )"** means the Net Asset Value of a Fund Share on Index Valuation Date  $t_{j-p-2}$ , after taking account of all Distributions made and reinvested, if applicable, up to such Index Valuation Date  $t_{j-p-2}$ , which is calculated by the Index Calculation Agent on the basis of the formula specified in *Section C. – I. Calculation of the Index Value* for the purposes of calculating NAV<sup>A</sup>( $t_j$ ).

**"NAV<sup>A</sup>( $t_{j-p-3}$ )"** means the Net Asset Value of a Fund Share on Index Valuation Date  $t_{j-p-3}$ , after taking account of all Distributions made and reinvested, if applicable, up to such Index Valuation Date  $t_{j-p-3}$ , which is calculated by the Index Calculation Agent on the basis of the formula specified in *Section C. – I. Calculation of the Index Value* for the purposes of calculating NAV<sup>A</sup>( $t_j$ ).

**"n( $t_j$ )"** means the distribution factor for the Index Valuation Date  $t_j$ . On the Index Start Date  $t_0$ , a value of 1.00 is set for the distribution factor ( $n(t_0)$ ). Thereafter, the distribution factor is recalculated by the Index Calculation Agent on each Reinvestment Date  $t^*_j$  in accordance with the provisions set out in *Section C. – II. Adjustment of the distribution factor*.

**" $\tilde{n}(t^*_j)$ "** means the distribution factor  $n(t_j)$  immediately prior to the Reinvestment Date  $t^*_j$ .

**"Reference Fund"** means Pioneer Investments Multi Manager Best Select.

**"Custodian Bank"** means CACEIS Bank Deutschland GmbH and/or any other company appointed by the Management Company to perform custodial, accounting, settlement or similar services for the Reference Fund.

**"Management Company"** means Pioneer Investments Kapitalanlagegesellschaft mbH, which manages the Reference Fund.

*Definitions regarding the Reference Index:*

**"Reference Index"** means the HVB 3 Months Rolling Euribor Index (WKN A0QZBZ / ISIN DE000A0QZBZ6 / Reuters .HVB3MRE / Bloomberg HVB3MRE Index), as determined and calculated by UniCredit Bank AG (the **"Reference Index Sponsor"**).

**"Reference Index Calculation Agent"** means UniCredit Bank AG, Munich, Germany.

**"Reference Index Calculation Date"** means each day (other than a Saturday or Sunday) on which the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) is open.

**"Reference Index Description"** means the description of the Reference Index. A current version of the Reference Index Description, as amended, is published on the website [www.onemarkets.de](http://www.onemarkets.de) (or any successor site).

**"Reference Index Value"** means the value (expressed in euro) of the Reference Index calculated by the Reference Index Calculation Agent on the basis of the method described in the Reference Index Description at any Reference Index Calculation Date.

**"RIV( $t_j$ )"** means the Reference Index Value on Index Valuation Date  $t_j$ .

**"RIV( $t_{j-1}$ )"** means the Reference Index Value on Index Valuation Date  $t_{j-1}$ .

**"Reference Index Structuring Fee"** or **"FRI"** means a rate by which the performance of the Reference Index is reduced. The Reference Index Structuring Fee is 1.00% per annum (FRI = 1.00%).

## **II. General information, disclaimer**

The information regarding the Reference Fund included in this Index Description is intended solely to inform investors wishing to buy Debt Securities and does not constitute a solicitation to buy Fund Shares. Each investor must make its own assessment of the merits of the Reference Fund. When calculating the Index Value, the Index Calculation Agent must rely upon statements, confirmations, computations, assurances and other information provided by third parties, the correctness and reliability of which it largely does not verify and for the correctness of which it accepts no responsibility. Any inaccuracies contained in such information may have an impact on the calculation of the Index Value without any fault attaching to the Index Calculation Agent. Neither the Index Sponsor nor the Index Calculation Agent has any obligation to verify this information independently.

The Index exists exclusively in the form of sets of data records and does not convey any direct or indirect beneficial or legal interest or ownership in the Index Components. Each of the allocations described herein within the Reference Portfolio is only carried out hypothetically by modifying such records. The Index Sponsor, the Index Calculation Agent, any Issuer and the Hedging Party are under no obligation to directly or indirectly acquire the Index Components. Fees, if any, received by the Index Sponsor in its capacity as Hedging Party from the Management Company in relation to holdings in the Reference Fund will not be distributed to the holders of Debt Securities or reinvested in the Index, but will be taken into account by the Index Sponsor in its internal pricing models by means of lower costs for the earnings mechanism. Distributions made by the Reference Fund will not be distributed to the holders of Debt Securities, but will be reinvested in the Index.

### **Section B. - General information regarding the Index**

#### **I. Objective of the Index**

The Index reflects the performance of the Reference Portfolio.

For the purposes of pursuing the Objective of the Index, the participation in the Reference Fund will be reduced in part or in full in the event of high volatility of the Reference Fund (volatility is an indicator of the frequency and degree of fluctuations in value), and the participation in the Money Market Investment will be increased accordingly. Conversely, the participation in the Money Market Investment will be reduced in part or in full in the event of low volatility of the Reference Fund, and the participation in the Reference Fund will be increased accordingly.

However, there is no guarantee that the Reference Portfolio and hence the Index will achieve the objectives described here.

#### **II. Index Sponsor and Index Calculation Agent**

The Index Sponsor sets up the Index by selecting the Index Components and by determining the method used to calculate and publish the Index Value (the **"Index Concept"**). The Index Sponsor will make any decisions, determinations and definitions with regard to the Index in its reasonable discretion (§ 315 BGB).

The Index Calculation Agent conducts all calculations with the regard to the Index in accordance with this Index Description, and monitors and updates certain index data for this purpose. The Index Calculation Agent will act with the due care of a prudent businessman (*Sorgfalt eines ordentlichen Kaufmannes*) in performing its duties in accordance with this Index Description. The Index Sponsor and the

Index Calculation Agent accept no liability except in the event of wilful misconduct or gross negligence.

The Index Calculation Agent may at any time seek advice from third parties with regard to its obligations described herein. The Index Calculation Agent may resign at any time, provided that, for as long as Debt Securities are still outstanding, the resignation will take effect only if (i) a successor Index Calculation Agent is appointed by the Index Sponsor, (ii) such successor Index Calculation Agent accepts the appointment, and (iii) the successor Index Calculation Agent assumes the rights and obligations of the Index Calculation Agent. Such replacement of the Index Calculation Agent will be published in accordance with *Section F. - Publication of this Index Description*.

Neither the Index Sponsor nor any other person related to the Index acts in any fiduciary or advisory capacity for any holder of Debt Securities.

## Section C. - Calculation of the Index

### I. Calculation of the Index Value

The Index Value (Index( $t_j$ )) is calculated by the Index Calculation Agent for each Index Valuation Date  $t_j$  (where  $j = 1, 2, \dots$ ) after the Index Start Date in accordance with the following formula:

$$\text{Index}(t_j) = \text{Index}(t_{j-1}) \times \left[ w(t_{j-1}) \times \text{Return}_1(t_j) + (1 - w(t_{j-1})) \times \text{Return}_2(t_j) \right]$$

where the return on the Reference Fund since the previous Index Valuation Date  $t_{j-1}$  (referred to as Return1( $t_j$ )) is calculated as follows:

$$\text{Return}_1(t_j) = \frac{\text{NAV}^A(t_j) - \text{NAV}^A(t_{j-1})}{\text{NAV}^A(t_{j-1})}$$

where

$$\text{NAV}^A(t_j) = n(t_j) \times (\text{NAV}(t_j) + d(t_j))$$

and the return on the Money Market Investment is calculated as follows on the basis of the Reference Index, reduced by the proportionate Reference Index Structuring Fee since the previous Index Valuation Date  $t_{j-1}$  (referred to as Return2( $t_j$ )):

$$\text{Return}_2(t_j) = \frac{\text{RIV}(t_j) - \text{RIV}(t_{j-1})}{\text{RIV}(t_{j-1})} - \frac{F_{RI}}{360} \times \Delta(t_{j-1}, t_j)$$

where

" $w(t_{j-1})$ " denotes the weighting of the Reference Fund (as defined in *Section C. - III. Dynamic Allocation rules* below), calculated for the Index Valuation Date  $t_{j-1}$ ;

" $\Delta(t_{j-1}, t_j)$ " denotes the number of calendar days from Index Valuation Date  $t_{j-1}$  (exclusive) to Index Valuation Date  $t_j$  (inclusive).

Under normal circumstances, the Index Value at an Index Valuation Date is calculated on the following Banking Day (each an "**Index Calculation Date**") after the Index Calculation Agent has received the relevant Net Asset Value of the Reference Fund.

### II. Adjustment of the distribution factor

On each Reinvestment Date  $t^*_j$ , the distribution factor  $n(t^*_j)$  is recalculated by the Index Calculation Agent in a way so that it notionally equals a reinvestment of the present value (in euro) of the related Distribution (less costs and taxes, if any, incurred by the Hypothetical Investor) in Fund Shares. Expressed as a formula, this means:

$$n(t_j^*) = \tilde{n}(t_j^*) + \frac{\tilde{n}(t_j^*) \times d(t_j^*)}{NAV(t_j^*)}$$

### III. Dynamic Allocation rules

The weighting of the Index Components in the Reference Portfolio is redetermined on each Index Valuation Date  $t_j$  (where  $j = 0, 1, 2, \dots$ ) as follows ("**Dynamic Allocation**"):

First, the Index Calculation Agent calculates the realised degree of variation (realised volatility) of the Reference Fund ( $\sigma_R(t_j)$ ), using the daily returns of the Reference Fund over a period of twenty consecutive Index Valuation Dates, and derives an annual volatility level from this realised volatility. The period observed (the "**Volatility Period**") commences twenty-two Index Valuation Dates prior to the relevant Index Valuation Date  $t_j$  and ends two Index Valuation Dates prior to the relevant Index Valuation Date  $t_j$ . Return is the logarithm of the change in the Net Asset Value between two consecutive Index Valuation Dates.

The realised volatility of the Reference Fund on each Index Valuation Date  $t_j$  (where  $j = 0, 1, 2, \dots$ ) is calculated as follows:

$$\sigma_R(t_j) = \sqrt{\frac{\sum_{p=0}^{19} \left( \text{Ln} \left[ \frac{NAV^A(t_{j-p-2})}{NAV^A(t_{j-p-3})} \right] \right)^2 - \frac{1}{20} \times \left( \sum_{p=0}^{19} \text{Ln} \left[ \frac{NAV^A(t_{j-p-2})}{NAV^A(t_{j-p-3})} \right] \right)^2}{19}} \times \sqrt{252}$$

where

"**Ln[x]**" denotes the natural logarithm of a value of  $x$ .

If, on any Index Valuation Date  $t_j$ , the twenty-one Net Asset Values of the Fund Share required in order to calculate  $\sigma_R(t_j)$  are not available in the relevant Volatility Period because the history of the Reference Fund is too short, the Index Calculation Agent will use the earliest available Net Asset Value of a Fund Share as the value for the unavailable Net Asset Values of the Reference Fund.

Next, the Index Calculation Agent determines the weighting of the Reference Fund for the corresponding Index Valuation Date  $t_j$  ( $w(t_j)$ ) using the following Allocation Table and the realised volatility of the Reference Fund calculated in accordance with the formula described above. The greater the realised volatility of the Reference Fund, the lower the weighting of the Reference Fund and vice versa.

"**Allocation Table**":

Realised volatility of the Reference Fund $\sigma_R(t_j)$	Weighting $w(t_j)$
$\sigma_R(t_j) < 6.00\%$	100%
$6.00\% \leq \sigma_R(t_j) < 6.25\%$	96%
$6.25\% \leq \sigma_R(t_j) < 6.50\%$	92%
$6.50\% \leq \sigma_R(t_j) < 6.75\%$	88%
$6.75\% \leq \sigma_R(t_j) < 7.00\%$	84%
$7.00\% \leq \sigma_R(t_j) < 7.25\%$	82%
$7.25\% \leq \sigma_R(t_j) < 7.50\%$	80%
$7.50\% \leq \sigma_R(t_j) < 7.75\%$	78%
$7.75\% \leq \sigma_R(t_j) < 8.00\%$	76%

$8.00\% \leq \sigma_R(t_j) < 8.25\%$	74%
$8.25\% \leq \sigma_R(t_j) < 8.50\%$	72%
$8.50\% \leq \sigma_R(t_j) < 8.75\%$	70%
$8.75\% \leq \sigma_R(t_j) < 9.00\%$	68%
$9.00\% \leq \sigma_R(t_j) < 9.25\%$	66%
$9.25\% \leq \sigma_R(t_j) < 9.50\%$	63%
$9.50\% \leq \sigma_R(t_j) < 10.00\%$	60%
$10.00\% \leq \sigma_R(t_j) < 10.50\%$	57%
$10.50\% \leq \sigma_R(t_j) < 11.00\%$	54%
$11.00\% \leq \sigma_R(t_j) < 11.50\%$	51%
$11.50\% \leq \sigma_R(t_j) < 12.00\%$	48%
$12.00\% \leq \sigma_R(t_j) < 12.50\%$	45%
$12.50\% \leq \sigma_R(t_j) < 13.00\%$	42%
$13.00\% \leq \sigma_R(t_j) < 14.00\%$	39%
$14.00\% \leq \sigma_R(t_j) < 15.00\%$	36%
$15.00\% \leq \sigma_R(t_j) < 16.00\%$	32%
$16.00\% \leq \sigma_R(t_j) < 17.00\%$	28%
$17.00\% \leq \sigma_R(t_j) < 18.00\%$	24%
$18.00\% \leq \sigma_R(t_j) < 20.00\%$	20%
$20.00\% \leq \sigma_R(t_j) < 22.00\%$	15%
$22.00\% \leq \sigma_R(t_j) < 24.00\%$	10%
$24.00\% \leq \sigma_R(t_j) < 26.00\%$	5%
$26.00\% \leq \sigma_R(t_j)$	0%

When performing the Dynamic Allocation, the Index Calculation Agent will take into account the possibilities of the Hypothetical Investor to subscribe or redeem Fund Shares (where appropriate taking into consideration subscription and redemption periods of the Reference Fund or where the Reference Fund makes use of provisions leading to partial execution of subscription or redemption requests). This may lead to a delayed or gradual implementation of Dynamic Allocation.

The Index Calculation Agent carries out its obligations described herein on the relevant Banking Days. Where it is necessary to carry out one of the obligations described herein on a different Banking Day, the Index Calculation Agent will postpone the relevant obligation to this other Banking Day. The Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether this is necessary.

## Section D. - Extraordinary adjustments and market disruptions

### I. General extraordinary adjustments

#### *Adjustments with regard to the Reference Fund*

Should the Index Sponsor determine that one or more Fund Events have occurred, the Index Sponsor will, if necessary, adjust the Index Concept in such a way that the financial position of the Hypothetical Investor remains unchanged to the greatest extent possible (the "**Reference Fund Adjustment**"). The Index Sponsor will determine the type and scope of any measures required for this purpose in its reasonable discretion (§ 315 BGB).

In the context of such Reference Fund Adjustment, the Index Sponsor may specifically:

- a) replace the Reference Fund and the Fund Shares, in full or in part, with a fund and fund shares with economically equivalent liquidity, distribution policy and investment strategy (the "**Successor Reference Fund**", and its shares the "**Successor Fund Shares**") in the amount of the proceeds of the liquidation of the Reference Fund within ten Banking Days of the day on which the liquidation proceeds would have been received in part or in full by the Hypothetical Investor. In this event, each reference to the Reference Fund or the Fund Shares will be deemed to refer to the Successor Reference Fund or the Successor Fund Shares, as applicable;
- b) replace the Reference Fund with an index having an economically equivalent investment strategy (the "**Successor Index**") in the amount of the proceeds of the liquidation of the Reference Fund within ten Banking Days of the day on which the liquidation proceeds would have been received in part or in full by the Hypothetical Investor. In this event, each reference to the Reference Fund or the Fund Shares will be deemed to refer to the Successor Index, each reference to the Net Asset Value will be deemed to refer to the official closing price of the Successor Index, and each reference to the Management Company will be deemed to refer to the index sponsor of the Successor Index; or
- c) adjust any provision of the Index Concept, the adjustment of which is appropriate to account for the economic effect of the Fund Event

(where necessary also adjusting the weighting of the Index Components now included in the Index). Any such Reference Fund Adjustment will be published in accordance with *Section F. - Publication of this Index Description*.

Should the Reference Fund be replaced in accordance with (a) or (b) resulting in the loss or the reduction of the fees received by the Index Sponsor in its function as Hedging Party from the Management Company in relation to any holdings in the Reference Fund, the Index Calculation Agent will introduce a structuring fee on the return of the Fund Shares, i.e. the Return1 (as defined in *Section C. – II. Calculation of the Index Value of this Index Description*) is reduced by this structuring fee as an annual percentage on a daily basis in the same way as Return2 is calculated. This structuring fee (i) amounts to 1.00% p.a. in the case of a Successor Index, or (ii) in the case of a Successor Reference Fund, is calculated as the difference between 1.00% p.a. and the anticipated reduced trailer fee for holdings of the Successor Reference Fund as an annual percentage. It will, however, not exceed 1.00% p.a. The introduction of such structuring fee and its amount will be published in accordance with *Section F. - Publication of this Index Description*.

"**Fund Event**" means any of the following events:

- a) changes are made in any of the Fund Documents without the consent of the Index Sponsor which affect the ability of the Hedging Party to maintain its Hedging Transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the Net Asset Value, or (v) the timetable for the subscription or issue, redemption and/or transfer of Fund Shares; the Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether any such change has occurred;
- b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;

- c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees existing at the date the Reference Fund was included in the Index);
- d) the Reference Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Reference Fund or the Management Company fails to publish the Net Asset Value as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- e) a change in the legal form of the Reference Fund;
- f) a change of key persons in key positions of the Management Company or the Fund Management;
- g) (i) any change in the legal, accounting, tax or regulatory treatment of the Reference Fund or the Management Company; or (ii) the suspension, cancellation, revocation or absence of the licence or registration of the Reference Fund or the Management Company; or (iii) the suspension, cancellation, revocation or absence of the distribution authorisation for the Reference Fund or the Management Company by a competent authority; or (iv) the initiation of a regulatory investigation, conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company or a Fund Services Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- h) a material breach by the Reference Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Reference Fund (as defined in the Fund Documents), and a breach by the Reference Fund or the Management Company of statutory or regulatory provisions; the Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether any such breach has occurred;
- i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital to be held by the Hedging Party with respect to its Hedging Transactions to an extent that is significant in comparison with the conditions applying on the Index Start Date; the Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether any such change has occurred;
- j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which would make it unlawful or impracticable for the Hedging Party to maintain its Hedging Transactions or which would result in significantly increased costs, in each case as determined by the Index Sponsor in its reasonable discretion (§ 315 BGB).
- k) an increase in the proportion of the volume held by the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into Hedging Transactions beyond 20% of the outstanding Fund Shares in the Reference Fund;
- l) the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
- m) the sale or redemption of Fund Shares for mandatory reasons for the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding Hedging Transactions;
- n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares or any other event that has a diluting or concentrative effect on the theoretical value of a Fund Share, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash, or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;

- o) the Management Company or a Fund Services Provider discontinues its services for the Reference Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another service provider which in the reasonable discretion of the Index Sponsor (§ 315 BGB) is of similarly good standing;
- p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Reference Fund or the Fund Shares, (ii) the initiation of settlement, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Reference Fund or the merger of the Reference Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder, or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- q) the initiation of settlement, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Management Company;
- r) the Index Sponsor loses the right to use the Reference Fund as the basis for the calculation, determination and publication of the Index;
- s) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer or the Hedging Party in the reasonable discretion (§ 315 BGB) of the Index Sponsor;
- t) no notification is given of the bases of taxation for the Reference Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz*; "InvStG") or any successor legislation, or the Reference Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG or any successor legislation in the future;
- u) changes in the investment or distribution policy of the Reference Fund which could have a substantial negative effect on the amount of the Reference Fund's Distributions as well as Distributions which diverge significantly from the Reference Fund's normal distribution policy to date;
- v) the Reference Fund or the Management Company or a company affiliated with it breaches the agreement entered into with the Index Sponsor, an Issuer or the Hedging Party in relation to the terms and conditions for the subscription or redemption of Fund Shares or any fees agreed in connection with any holdings of Fund Shares held by the Index Sponsor in its capacity as Hedging Party in a significant respect or terminates that agreement;
- w) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Sponsor with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- x) the Reference Fund or the Management Company fails to provide the Index Sponsor with the audited annual report and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- y) any other event that could have a noticeable adverse effect on the Net Asset Value of the Reference Fund or the ability of the Hedging Party to hedge its obligations under the Hedging Transactions on more than a temporary basis;

to the extent that the financial position of a Hypothetical Investor or of the Hedging Party or of the holders of Debt Securities suffers a significant adverse change as a result, as determined by the Index Sponsor in its reasonable discretion (§ 315 BGB).

Neither the Index Sponsor nor the Index Calculation Agent is under any obligation to monitor whether or not one of the events referred to above has occurred. The determination of a Fund Event will be published in accordance with *Section F. - Publication of this Index Description*.

*Adjustments with regard to the Reference Index*

Should the Index Sponsor determine that one or more Index Events have occurred, the Index Sponsor will, if necessary, adjust the Index Concept in such a way that the financial position of the Hypothetical Investor remains unchanged to the greatest extent possible (the "**Reference Index Adjustment**"). The Index Sponsor will determine the type and scope of any measures required for this purpose in its reasonable discretion (§ 315 BGB).

In the context of such Reference Index Adjustment, the Index Sponsor may specifically:

- a) replace the Reference Index with a new index (the "**Successor Reference Index**") using a methodology that is economically equivalent to the greatest extent possible (including in particular the tracking of a Money Market Investment, using rolling money market returns). However, the Successor Reference Index may use differing application periods for the Reference Rates and differing rolling intervals. In this event, each reference to the Reference Index will be deemed to refer to the Successor Reference Index;
- b) adjust any provision of the Index Concept, the adjustment of which is appropriate to account for the economic effect of the Index Event;

(where necessary also adjusting the weighting of the Index Components now included in the Index).

"**Index Event**" means any of the following events occurring on or after the Index Start Date:

- a) changes or modifications are made to the method of calculation, determination and publication of the Reference Index, as described in the Reference Index Description, without the consent of the Index Sponsor which affect the ability of the Hedging Party to hedge its obligations under the Hedging Transactions (in particular changes with respect to (i) the risk profile of the Reference Index, or (ii) the Reference Index is no longer calculated in euro); the Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether any such change or modification has occurred;
- b) the historic 30-day volatility of the Reference Index exceeds a volatility level of 2.5%; where  $\sigma_{EI}(t_j)$  means the annualised volatility calculated on the basis of the daily logarithmic changes in the value of the Reference Index over the immediately preceding 30 Reference Index Calculation Dates of the Reference Index on a Banking Day (t).  $\sigma_{EI}(t_j)$  is calculated in accordance with the following formula:

$$\sigma_{EI}(t_j) = \sqrt{\frac{\sum_{p=0}^{29} \left( \frac{\ln \left[ \frac{RI(t_{j-p})}{RI(t_{j-p-1})} \right] \right)^2}{29} - \frac{1}{30} \times \left( \sum_{p=0}^{29} \frac{\ln \left[ \frac{RI(t_{j-p})}{RI(t_{j-p-1})} \right]}{29} \right)^2} \times \sqrt{252}}$$

Where:

"**Ln[x]**" denotes the natural logarithm of a value of x;

"**RIV(t<sub>j-q</sub>)**" means the Reference Index Value on the q-th Index Valuation Date prior to Index Valuation Date t<sub>j</sub>.

- c) the calculation or publication of the Reference Index is discontinued;
- d) the Reference Index no longer, in the reasonable discretion (§ 315 BGB) of the Index Sponsor, corresponds to the objective of a low-risk investment that is free of currency risk for the Hypothetical Investor;
- e) any other event that, in the reasonable discretion (§ 315 BGB) of the Index Sponsor, could have a noticeable adverse effect on the Reference Index Value or the ability of the Hedging Party to hedge its obligations under the Hedging Transactions on more than a temporary basis.

Neither the Index Sponsor nor the Index Calculation Agent is under any obligation to monitor whether or not one of the events referred to above has occurred. The determination of an Index Event will be published in accordance with *Section F. - Publication of this Index Description*.

*Termination of the Index*

The Index Sponsor has the right to temporarily suspend the calculation of the Index following the occurrence of one or more Fund Events and/or one or more Index Events.

Should an adjustment of the Index Concept not be possible or not be reasonable for the Hypothetical Investor or the investors in any Debt Securities, the Index Sponsor has the right to permanently discontinue the calculation of the Index at any time; the Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether the relevant requirements are met.

## **II. Adjustment of the Net Asset Value**

In the following cases, the Index Sponsor will, for the purposes of calculating the Index Value, adjust the Net Asset Value of the Reference Fund published by the Management Company:

- a) charges or fees are levied in connection with the issue or redemption of Fund Shares;
- b) a Hypothetical Investor would not have received the aggregate proceeds from the redemption of Fund Shares within the usual period or the period specified in the Fund Documents; or
- c) in the event of (i) the publication of an incorrect Net Asset Value, or (ii) if a Net Asset Value determined and published by the Management Company, as used by the Index Calculation Agent as the basis for the calculation, determination and publication of the Index, is subsequently corrected.

In cases a. and b., the Index Sponsor will adjust the relevant Net Asset Value to replicate the economic effects of the relevant events on the Index, in case c. (i), the Index Sponsor will adjust the relevant Net Asset Value to account for the economic effects of the relevant events on the Index, and in case c. (ii), the Index Calculation Agent will, where necessary, again determine the relevant Net Asset Value (the "**Corrected Net Asset Value**") and again calculate the Index Value on the basis of the Corrected Net Asset Value, taking into account the situation of a Hypothetical Investor.

The Index Sponsor will determine the type and extent of any necessary adjustments to the Net Asset Value in its reasonable discretion (§ 315 BGB). When adjusting the Net Asset Value, the Index Sponsor will take into account the fact that proceeds from the reduction of a Reference Fund may only be allocated to the Reference Index (and vice versa) after the Hypothetical Investor would have received the respective proceeds from the disposal of the Reference Fund or the Money Market Investment.

## **III. Adjustment of the value of the Reference Index**

In the following cases, the Index Calculation Agent will, for the purposes of calculating the Index Value, adjust the Reference Index Value of the Reference Index published by the calculation agent of the Reference Index to account for the economic effects of the relevant events on the Index:

- a) in the event of an error in the calculation of the Reference Index Value identified by the Index Sponsor or the Index Calculation Agent;
- b) in the event of the publication of an incorrect Reference Index Value; or
- c) if a Reference Index Value determined and published by the Reference Index Sponsor, as used by the Index Calculation Agent as the basis for the calculation of the Index, is subsequently corrected.

The Index Sponsor will determine the type and extent of any necessary adjustments to the Reference Index Value in its reasonable discretion (§ 315 BGB). In case c., the Index Sponsor will, where necessary, again determine the relevant Reference Index Value (the "**Corrected Reference Index Value**") and again calculate the Index Value on the basis of the Corrected Reference Index Value.

## **IV. Market Disruption Events**

- a) If the Hypothetical Investor is not able to subscribe for or redeem Fund Shares on an Index Valuation Date, whether because the subscription or redemption of Fund Shares has been suspended or no Net Asset Value has been published for the Reference Fund or such publication will be delayed (a "Reference Fund Market Disruption Event"), the Index Calculation Agent will postpone the calculation, determination and publication of the Index (specifically including the performance of Dynamic Allocation) until such time as the Reference Fund Market Disruption Event ends. The Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether the relevant requirements are met.

If the Reference Fund Market Disruption Event continues for more than thirty Banking Days, the Index Calculation Agent will make an estimate of the Net Asset Value taking into account the then prevailing market conditions and the possibilities of the Hypothetical Investor to sell Fund Shares in the market, in order to perform a calculation of the Index (specifically including the performance of Dynamic Allocation), provided that a data basis is available which is sufficient for the purposes of such estimate. The Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether a sufficient data basis is available. The estimate will be based on a commercially reasonable assessment.

- b) If a Reference Index Value that is required for the calculation, determination and publication of the Index has not been published on an Index Valuation Date, or such publication will be delayed, the Index Calculation Agent will, in order to calculate the required price of the Reference Index, apply the calculation method described in the description of the Reference Index taking into account the most recently available value of the Reference Index.

#### **Section E. - Corrections**

The Index Sponsor may correct or amend contradictory or incomplete provisions in the Index Description in accordance with the provisions applicable to the relevant Debt Securities.

#### **Section F. - Publication**

The Index Value is published by the Index Calculation Agent on the website [www.onemarkets.de](http://www.onemarkets.de), the Reuters page .UCGRMMBF and on Bloomberg under the ticker UCGRMMBF Index.

All determinations made by the Index Sponsor or the Index Calculation Agent in their reasonable discretion (§ 315 BGB) will be published in accordance with the terms and conditions of the relevant Debt Securities.

#### **Section G. - Governing law**

This Index Description is governed by German law.

## DESCRIPTION OF HVB VERMÖGENSDEPOT WACHSTUM FLEX INDEX II DATED 29 MAY 2013

The following Index Description outlines the key data for the "HVB Vermögensdepot Wachstum Flex Index II" (the "**VPD II Index**") compiled by the Issuer. This description is subject to amendments or adjustments from time to time after the date of this Base Prospectus in relation to which the Issuer will publish a related supplement to this Base Prospectus.

The HVB VERMÖGENSDEPOT WACHSTUM FLEX INDEX II (WKN A1PHN2 / ISIN DE000A1PHN28) (the "**Index**") is an index developed and designed by UniCredit Bank AG, Munich, Germany, or any successor thereto (the "**Index Sponsor**") and calculated by UniCredit Bank AG, Munich, Germany, or any successor determined by the Index Sponsor (the "**Index Calculation Agent**") in euro (the "**Index Currency**") in accordance with the index rules set out below (the "**Index Rules**") whose objective is to participate in the performance of the Reference Fund, while aiming to control the degree of variation (volatility) of the Reference Portfolio (the "**Objective of the Index**").

### Section A. - Definitions, general information

#### I. Definitions

For the purposes of this description (the "**Index Description**"), the following terms have the following meanings:

*Definitions regarding the Index:*

"**Hedging Transactions**" means one or more trades, transactions or investments (especially securities (including Fund Shares), options, futures, derivatives and foreign currency transactions, repos or securities lending transactions or other instruments or measures) which are required for an Issuer and/or any Hedging Party to hedge price risks or other risks at standalone or portfolio basis arising from obligations with regard to the Index or with regard to Debt Securities or other financial instruments linked to the Index. The Index Calculation Agent will determine in its reasonable discretion (§ 315 of the German Civil Code (*Bürgerliches Gesetzbuch*; "**BGB**")) whether any such Hedging Transactions are required.

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the principal domestic clearance system customarily used to settle trades regarding the Index Components and the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) are open.

"**Issuer**" means an issuer of Debt Securities or other financial instruments linked to the Index.

"**Hedging Party**" means the Index Calculation Agent (as at the Index Start Date). The Index Calculation Agent is entitled at any time to appoint another person or company to act as Hedging Party (the "**Successor Hedging Party**"). The appointment of a Successor Hedging Party will be published in accordance with *Section G - Publication of this Index Description*.

"**Index(t<sub>j</sub>)**" means the Index Value at Index Valuation Date t<sub>j</sub>. Index (t<sub>j</sub>) is calculated by the Index Calculation Agent for every Index Valuation Date t<sub>j</sub> in accordance with the provisions set forth in *Section D - Calculation of the Index of this Index Description*.

"**Index Components**" means the Fund Shares and the Money Market Investment included in the Index at any given time.

"**Index Valuation Date**" means any Banking Day that is a Reference Index Calculation Date and on which it is actually possible to issue and redeem Fund Shares as described in the Fund Documents.

"**Index Start Date**" means 1 June 2012.

"**Index Initial Value**" means 100.00.

"**Index Value**" means the value (expressed in euro) of the Index on any given Index Valuation Date as calculated by the Index Calculation Agent.

"**Money Market Investment**" means a hypothetical investment in cash and money market instruments from the European single currency area. The performance of this investment is reflected by the Reference Index.

**"Hypothetical Investor"** means a company incorporated in Germany and holding Fund Shares of the Reference Fund.

**"Reference Portfolio"** means a hypothetical portfolio of a Hypothetical Investor which contains both Fund Shares and the Money Market Investment in variable weightings. The Reference Portfolio has a value at the Index Start Date equal to the Index Initial Value (expressed in euro).

**"Debt Securities"** means all outstanding debt securities of a company affiliated with the Index Sponsor (section 15 of the German Stock Corporation Act (*Aktiengesetz*)) at a given time for which payment of principal and/or interest depends on the performance of the Index.

**" $t_j$ "** means the  $j$ -th Index Valuation Date. The Index Start Date is shown as  $t_0$ , previous Index Valuation Dates are shown as negative indices and subsequent Index Valuation Dates as positive indices, resulting in (... ,  $t-2$ ,  $t-1$ ,  $t_0$ ,  $t_1$ ,  $t_2$ , ...).

*Definitions regarding the Reference Fund:*

**"Investment Adviser"** means UniCredit Bank AG (at the Index Start Date). The Management Company may appoint a different person or company to act as Investment Adviser at any time.

**"Custodian Bank"** means CACEIS Bank Deutschland GmbH and/or any other company appointed by the Management Company to perform custodial, accounting, settlement or similar services for the Reference Fund.

**"Fund Share"** or **"Fund Shares"** means a share or shares in the Reference Fund (WKN A0M035 / ISIN DE000A0M0358 / Bloomberg HVBPRWP GR Equity).

**"Fund Documents"** means the annual and the half-yearly report, the prospectus (including fund rules), the key investor information and all other documents of the Reference Fund which specify the terms and conditions of the Reference Fund and the Fund Shares, as amended. The Fund Documents, as amended, are available on the website [www.pioneerinvestments.de](http://www.pioneerinvestments.de) (or any successor site). The information contained therein is also maintained by UniCredit Bank AG, LCI4SS, Arabellastraße 12, 81925 Munich, Germany, to be issued to the public free of charge during normal business hours.

**"Management Company"** means Pioneer Investments Kapitalanlagegesellschaft mbH, which manages the Reference Fund.

**"Net Asset Value"** or **"NAV"** means the official net asset value for a Fund Share, as published by the Management Company and at which it is actually possible to redeem Fund Shares.

**"NAV( $t_j$ )"** means the Net Asset Value of a Fund Share on Index Valuation Date  $t_j$ .

**"Reference Fund"** means HVB Vermögensdepot privat Wachstum PI.

**"Auditor"** means KPMG AG and/or any other auditing firm appointed by the Management Company to audit the Reference Fund and its annual financial statements.

*Definitions regarding the Reference Index:*

**"Reference Index"** means the HVB 3 Months Rolling Euribor Index (WKN A0QZBZ / ISIN DE000A0QZBZ6 / Reuters .HVB3MRE / Bloomberg HVB3MRE Index), as determined and calculated by UniCredit Bank AG (the "Reference Index Sponsor").

**"Reference Index Calculation Agent"** means UniCredit Bank AG, Munich, Germany.

**"Reference Index Calculation Date"** means each day (other than a Saturday or Sunday) on which the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) is open.

**"Reference Index Description"** means the description defining the method used to calculate the Reference Index, as amended. The Reference Index Description at the Index Start Date is included in this Index Description in *Section C - II. Description of the Reference Index - HVB 3 Months Rolling Euribor Index*, and a current version of the Reference Index Description, as amended, is available on the website [www.onemarkets.de](http://www.onemarkets.de) (or any successor site).

**"Reference Index Value"** means the value (expressed in euro) of the Reference Index calculated by the Reference Index Calculation Agent on the basis of the method described in the Reference Index Description at any Reference Index Calculation Date.

**"RIV( $t_j$ )"** means the Reference Index Value on Index Valuation Date  $t_j$ .

**"Synthetic Dividend"** or **"Div"** means a rate by which the performance of the Reference Index is reduced. The Synthetic Dividend is 1.55% per annum (Div = 1.55%).

## **II. General information**

Where information is provided in this Index Description with respect to the Reference Fund, such information is based exclusively on information taken from the Fund Documents and from the website of the Management Company. The responsibility of the Index Calculation Agent is limited to reproducing such publicly available information accurately and to ensuring that no facts are omitted that would otherwise result in a false, incomplete or misleading representation herein to the extent that this is evident for the Index Calculation Agent and to the extent that this is demonstrable for the Index Calculation Agent from the information published by the Management Company. In particular, neither the Index Sponsor nor the Index Calculation Agent nor any other person or company that provides services in connection with the Index accepts any responsibility for the correctness or completeness of the present description and the underlying information or for the event that any circumstances have arisen that could impair its correctness or completeness. The information herein is given as at 4 June 2012. For further and current information regarding the Reference Fund, please refer to the website of the Management Company [www.pioneerinvestments.de](http://www.pioneerinvestments.de) (or any successor site).

When calculating the Index Value, the Index Calculation Agent must rely upon statements, confirmations, computations, assurances and other information provided by third parties, the correctness and reliability of which it largely does not verify and for the correctness of which it accepts no responsibility. Any inaccuracies contained in such information may have an impact on the calculation of the Index Value without any fault attaching to the Index Calculation Agent. The Index Calculation Agent has no obligation to verify this information independently.

The Index exists exclusively in the form of sets of data records and does not convey any direct or indirect legal or beneficial interest or ownership in the Index Components. Each of the allocations described herein within the Reference Portfolio is only carried out hypothetically by modifying such records. The Index Calculation Agent, any Issuer and the Hedging Party are under no obligation to directly or indirectly acquire the Index Components.

### **Section B. - General information regarding the Index**

#### **I. Objective of the Index**

The Index reflects the performance of the Reference Portfolio.

The economic objective of the Reference Portfolio is to participate in the performance of the Reference Fund, while aiming to control the degree of variation (volatility) of the Reference Portfolio. To this end, the participation in the Reference Fund will be reduced in part or in full in the event of high volatility of the Reference Fund, and the participation in the Money Market Investment will be increased accordingly. Conversely, the participation in the Money Market Investment will be reduced in part or in full in the event of low volatility of the Reference Fund, and the participation in the Reference Fund will be increased accordingly.

However, there is no guarantee that the Reference Portfolio and hence the Index will achieve the objectives described here.

For the purposes of calculating the Index, the Money Market Investment is reflected by the Reference Index (as described in *Section C - II. Description of the Reference Index* - HVB 3 Months Rolling Euribor Index of this Index Description).

#### **II. Index Sponsor and Index Calculation Agent**

The Index Sponsor compiles the Index by selecting the Index Components and by determining the method used to calculate and publish the Index Value (the **"Index Concept"**).

The Index Calculation Agent conducts all calculations, determinations and definitions with the regard to the Index in accordance with this Index Description, and monitors and updates certain index data for this purpose.

The Index Calculation Agent may at any time in its sole discretion seek advice from third parties with regard to its obligations described herein. The Index Calculation Agent may resign at any time, provided that, for as long as Debt Securities are still outstanding, the resignation will take effect only if (i) a successor Index Calculation Agent is appointed, (ii) such successor Index Calculation Agent accepts the appointment, and (iii) the successor Index Calculation Agent assumes the rights and obligations of the Index Calculation Agent. Such replacement of the Index Calculation Agent will be published in accordance with *Section G - Publication of this Index Description*.

The Index Calculation Agent will act with the due care of a prudent businessman (*Sorgfalt eines ordentlichen Kaufmannes*) in carrying out all calculations, determinations and definitions with regard to the Index in accordance with this Index Description. The Index Sponsor and the Index Calculation Agent accept no liability except in the event of wilful misconduct or gross negligence.

Neither the Index Sponsor nor any other person related to the Index acts in any fiduciary or advisory capacity for any holder of Debt Securities.

## **Section C. - Description of the Reference Fund and the Reference Index**

### **I. Description of the Reference Fund - HVB Vermögensdepot privat Wachstum PI**

The information regarding the Reference Fund included in this Index Description is intended solely to inform investors wishing to buy Debt Securities or other financial instruments linked to the Index and does not constitute a solicitation to buy Fund Shares. Such information is provided for convenience only, its completeness or correctness does not form part of the basis of the purchase of Debt Securities or other financial instruments linked to the Index. Such financial instruments are merely intended to enable investors to make a volatility-based synthetic investment in the Reference Fund; each investor must make its own assessment of the merits of the Reference Fund.

#### *Fund portrait*

HVB Vermögensdepot privat Wachstum PI is a mixed fund (*gemischtes Sondervermögen*) as defined by the German Investment Act (*Investmentgesetz*; "**InvG**"), which may invest flexibly in various asset classes. The Reference Fund was set up on 11 February 2008 for an indefinite period and is managed by the Management Company. The Management Company has appointed the Investment Adviser to act as investment adviser for the Reference Fund. The Reference Fund is designed as a fund of funds and pursues a growth-oriented or limited-risk investment strategy. Medium opportunities are set against medium risks.

The Reference Fund invests on a regular basis in passive instruments such as exchange-traded funds (ETFs) or index-oriented funds. It is, however, also permitted to make use of instruments such as actively managed funds, certificates, interest-bearing securities, money market funds or bank balances on a case-by-case basis.

#### *Investment strategy and investment principles*

The Management Company may, within the framework of the German Investment Act (InvG) and the investment limits described in greater detail in the Fund Documents, acquire the following assets for the Reference Fund:

- securities in accordance with section 47 InvG;
- money market instruments in accordance with section 48 InvG;
- bank balances in accordance with section 49 InvG;
- investment shares or units in accordance with section 50 and section 84 (1) no. 2 a) InvG and shares in investment stock corporations in accordance with section 84 (1) no. 3 a) InvG;
- derivatives in accordance with section 51 InvG;
- other investment instruments in accordance with section 52 InvG.

Investment shares or units as defined in sections 90g to 90k InvG (Other funds) and/or section 112 InvG (Funds with additional risks) and/or shares in investment stock corporations whose articles of association permit a form of investment comparable to that defined in sections 90g to 90k InvG or section 112 InvG, and shares or units in comparable non-German investment funds may not be acquired for the Reference Fund.

Furthermore, the Management Company may, in accordance with the provisions of the InvG and the Fund Documents:

- take out loans;
- grant securities loans;
- enter into repurchase agreements.

The Reference Fund may invest up to 70% of the aggregate value of the Reference Fund in the following assets:

- exchange-traded funds (ETFs) and/or index-oriented funds, each of which track the performance of stock indices; and/or
- certificates on equities and/or equity-related securities; and/or
- equity funds with a risk profile that typically correlates with one or more stock markets; and/or
- equities and/or profit-participation certificates and/or convertible bonds.

The Reference Fund must invest at least 20% of the aggregate value of the Reference Fund in the following assets:

- exchange-traded funds (ETFs) and/or index-oriented funds, each of which track the performance of bond indices; and/or
- certificates on bonds and/or bond-related securities; and/or
- bond funds with a risk profile that typically correlates with one or more bond markets; and/or
- bank balances in accordance with section 49 InvG and/or money market instruments in accordance with section 48 InvG and/or money market funds; and/or
- interest-bearing securities.

#### *Costs and commissions of the Reference Fund*

The Management Company receives an annual fee of up to 2.5% of the value of the Reference Fund for its management services. The amount is calculated on the basis of the value of the Reference Fund determined on each exchange business day. The Investment Adviser receives a fee from the Management Company out of the management fee of the Management Company for the services that it performs for the Reference Fund. The Custodian Bank receives an annual fee of up to 0.2% of the value of the Reference Fund (plus any applicable statutory value-added tax). In addition to the fees mentioned above, the following costs are charged to the Reference Fund:

- the costs incurred in connection with the purchase and sale of assets;
- normal bank custody fees, where appropriate including the normal bank costs for the safe-keeping of non-German securities outside of Germany;
- normal costs and fees accruing in connection with the opening of bank accounts and depositary accounts with foreign banks;
- the costs incurred in connection with printing and posting of the annual and half-yearly reports intended for the investors;
- the costs incurred in connection with publishing the annual and half-yearly reports, the issue and redemption prices and, where appropriate, the distributions or reinvestments, and the liquidation report;

- the costs incurred in connection with auditing the Reference Fund by the Auditor;
- the costs incurred in connection with the notification of the bases of taxation and the statement that the tax information was determined in accordance with the rules of German tax law;
- any taxes accruing in connection with the cost of management and custody;
- the costs incurred in connection with asserting and enforcing legal claims of the Reference Fund and for legal and tax advice with regard to the Reference Fund;
- administration fees and costs reimbursed to governmental agencies;
- the costs incurred for representing investor and creditor rights, especially costs incurred for instructing proxies;
- the costs incurred in connection with the authorisation of the Reference Fund for distribution outside of Germany, including advertising costs, costs accruing for compliance with supervisory rules and regulations in Germany and outside of Germany, and legal and tax advisory costs and translation costs;
- the costs incurred in connection with preparing or amending, translating, filing, printing and posting prospectuses in countries where the Fund Shares are sold;
- the costs incurred in connection with notifying investors in the Reference Fund by way of a permanent data carrier, with the exception of the costs incurred in connection with information about fund mergers;
- the costs incurred in connection with the analysis of investment performance by third parties;
- the costs incurred in connection with advertising in direct connection with the marketing and sale of Fund Shares;
- the costs and any fees that may be incurred for acquiring and/or using and/or naming a benchmark or financial indices and/or other financial instruments or assets;
- any costs incurred in connection with investment committee meetings.

In addition, the Management Company may charge compensation of up to 10% of the amounts received for the Reference Fund in cases where disputed claims are enforced for the Reference Fund in or out of court in the context of class action lawsuits, tax reimbursement claims or similar proceedings.

Furthermore, the Management Company may receive up to half of the income from the conclusion of securities lending transactions for the account of the Reference Fund as a flat fee.

The management fees charged to the Reference Fund (excluding transaction costs) are disclosed in the annual report and shown as a proportion of the average volume of the Reference Fund (total expense ratio). This consists of the fees for the management of the Reference Fund, the fees paid to the Custodian Bank and the costs that can be charged additionally to the Reference Fund (see list of costs above). The costs incurred in connection with the acquisition and disposal of assets are excluded from this. The Management Company will not receive any reimbursements of the remuneration or cost reimbursements paid from the Reference Fund to the Custodian Bank or to third parties.

The Management Company may pay brokerage commissions to brokers, such as credit institutions, financial services providers and broker-dealers, as "brokerage commissions based on holding periods" (*laufzeitabhängige Vermittlungsprovision*) on a recurring – mostly quarterly – basis. The amount of such commissions is generally calculated in line with the volume of the Reference Fund sold through the relevant brokers.

The costs and commissions of the Reference Fund may be subject to change or modification. Such changes or modifications may arise among other things when an existing service provider of the Reference Fund, as described in the Fund Documents, is changed or replaced.

#### *Costs and commissions of Target Funds*

In addition to the fee paid for the management of the Reference Fund, a management fee is charged for the shares in other funds ("**Target Funds**") held in the Reference Fund. The following types of

fees, costs, taxes, commissions and other expenses (list not exhaustive) are covered indirectly or directly by the Reference Fund:

- management fees for the Target Fund (fund management, administrative activities);
- fees for the Custodian Bank;
- normal bank custody fees, where appropriate including the normal bank costs for the safe-keeping of non-German securities outside of Germany;
- the costs incurred in connection with printing and posting of the annual and half-yearly reports intended for the investors in the Target Fund;
- the costs incurred in connection with publishing the annual and half-yearly reports, the issue and redemption prices and, where appropriate, distributions;
- the costs incurred in connection with auditing the Target Fund by the Auditor of the Target Fund;
- the costs incurred in connection with the notification of the bases of taxation and the statement that the tax information was determined in accordance with the rules of German tax law;
- the costs incurred in connection with distribution activities;
- any costs incurred in connection with redeeming the dividend coupons;
- any costs incurred in connection with the renewal of dividend coupons;
- the costs incurred in connection with the purchase and sale of assets;
- any taxes accruing in connection with the cost of management and custody;
- the costs incurred in connection with asserting and enforcing legal claims of the Target Fund;
- the costs incurred in connection with the utilisation of normal bank securities lending programmes.

The sales and redemption charges charged to the Reference Fund for the purchase and the redemption of shares in Target Funds are disclosed in the annual and half-yearly reports. Furthermore, the fees charged to the Reference Fund by a domestic or non-German investment company or a company affiliated with the Management Company as a management fee for the shares in Target Funds held by the Reference Fund are also disclosed.

## **II. Description of the Reference Index - HVB 3 Months Rolling Euribor Index**

### *General description of the Reference Index*

The Reference Index tracks the performance of a notional ongoing investment in cash and Money Market Instruments bearing interest at the interest rate for 3-month time deposits in euro in the inter-bank market. Re-investment takes place on a 3-month cycle, including the accrued interest at the then prevailing market interest rate.

The Reference Index is calculated in euro by the Reference Index Calculation Agent on each Reference Index Calculation Date and published on the Reuters financial information system on Reuters page .HVB3MRE.

The initial value of the Reference Index (the "**Reference Index Initial Value**") on 16 March 2004 (the "**Reference Index Start Date**") was 100.00.

### *Calculation of the Reference Index*

Two Reference Index Calculation Dates before each Reference Interest Period (as defined below), the Reference Index Calculation Agent determines the value of the 3-month Euribor rate, which can be obtained from the Bloomberg financial information system under the ticker EUR003M Index, among other sources. Such value determined in this way is the Reference Rate (the "**Reference Rate**") for the corresponding Reference Interest Period.

A Reference Interest Period (the "**Reference Interest Period**") commences on the third Wednesday of the third calendar month of each calendar quarter (inclusive) (each a "**Reference Interest Period Start Date**") and ends on the third Wednesday of the third calendar month of the following quarter (exclusive) (each a "**Reference Interest Period End Date**"). Should a Reference Interest Period Start Date not be a Reference Index Calculation Date, the relevant Reference Interest Period Start Date will be postponed to the immediately following Reference Index Calculation Date. Should a Reference Interest Period End Date not be a Reference Index Calculation Date, the relevant Reference Interest Period End Date will be postponed to the immediately following Reference Index Calculation Date. This means that the relevant interest period is extended or shortened accordingly. The first Reference Interest Period Start Date is the Reference Index Start Date.

The Reference Index Value at a Reference Index Calculation Date  $t$  after the Reference Index Start Date is calculated by the Reference Index Calculation Agent using the following formula:

$$RIV(t) = B(t, T_{End}) \times RIV(T_{Start}) \times \left[ 1 + \frac{\Delta(T_{Start}, T_{End})}{360} \times R_{Start} \right]$$

where

" $T_{Start}$ " denotes the Reference Interest Period Start Date immediately preceding the Reference Index Calculation Date  $t$ ;

" $T_{End}$ " denotes the Reference Interest Period End Date immediately following the Reference Index Calculation Date  $t$  (or  $t$ , if the Reference Index Calculation Date  $t$  is a Reference Interest Period End Date);

" $B(t, T_{End})$ " denotes the discount factor on the Reference Index Calculation Date  $t$  for the maturity date  $T_{End}$ . The discount factor is determined by the Reference Index Calculation Agent using the Yield Curve; it amounts to the value 1 on each day  $T_{End}$ .

"**Yield Curve**" means an implicit curve determined by the Reference Index Calculation Agent using internal valuation methods on the basis of the money market rates, prices for futures contracts on the Euribor interest rate, swap rates prevailing on the interbank market and other suitable instruments applicable on the Reference Index Calculation Date  $t$ . A continuous curve through to the relevant maturity date  $T_{End}$  is calculated by means of interpolation;

" $RIV(T_{Start})$ " denotes the Reference Index Value on day  $T_{Start}$ .

" $R_{Start}$ " denotes the Reference Rate for the relevant Reference Interest Period from  $T_{Start}$  to  $T_{End}$ .

" $\Delta(T_{Start}, T_{End})$ " denotes the number of calendar days from  $T_{Start}$  (exclusive) to  $T_{End}$  (inclusive).

## Section D. - Calculation of the Index

### I. Calculation of the Index Value

The Index Value ( $Index(t_j)$ ) is calculated by the Index Calculation Agent for each Index Valuation Date  $t_j$  (where  $j = 1, 2, \dots$ ) after the Index Start Date in accordance with the following formula:

$$Index(t_j) = Index(t_{j-1}) \times \left[ 1 + w(t_{j-1}) \times Return_1(t_j) + (1 - w(t_{j-1})) \times Return_2(t_j) \right]$$

where the return on the Reference Fund since the previous Index Valuation Date ( $Return_1(t_j)$ ) is calculated as follows:

$$Return_1(t_j) = \frac{NAV(t_j) - NAV(t_{j-1})}{NAV(t_{j-1})}$$

and the return on the Money Market Investment is calculated as follows on the basis of the Reference Index and reduced by the proportionate Synthetic Dividend since the previous Index Valuation Date ( $Return_2(t_j)$ ):

$$\text{Return}_R(t_j) = \frac{\text{RIV}(t_j) - \text{RIV}(t_{j-1})}{\text{RIV}(t_{j-1})} - \frac{\text{Div}}{360} \times \Delta(t_{j-1}, t_j)$$

where

" $w(t_{j-1})$ " denotes the weighting of the Reference Fund (as defined in *Section D - II. Dynamic Allocation Rules* below), calculated for the Index Valuation Date  $t_{j-1}$ ;

" $\Delta(t_{j-1}, t_j)$ " denotes the number of calendar days from Index Valuation Date  $t_{j-1}$  (exclusive) to Index Valuation Date  $t_j$  (inclusive).

Under normal circumstances, the Index Value at an Index Valuation Date is calculated on the following Banking Day (each an "**Index Calculation Date**") after the Index Calculation Agent has received the relevant Net Asset Value of the Reference Fund.

## II. Dynamic Allocation Rules

The weighting of the Index Components in the Reference Portfolio is redetermined on each Index Valuation Date  $t_j$  (where  $j = 0, 1, 2, \dots$ ) as follows ("**Dynamic Allocation**"):

First, the Index Calculation Agent calculates the realised degree of variation (realised volatility) of the Reference Fund ( $\sigma_R(t_j)$ ), using the daily returns of the Reference Fund over a period of twenty Index Valuation Dates, and derives an annual volatility level from this realised volatility. The period observed commences twenty-two Index Valuation Dates prior to the relevant Index Valuation Date and ends two Index Valuation Dates prior to the relevant Index Valuation Date. Return is the logarithm of the change in the Net Asset Value between two consecutive Index Valuation Dates.

The realised volatility of the Reference Fund on each Index Valuation Date  $t_j$  (where  $j = 0, 1, 2, \dots$ ) is calculated as follows:

$$\sigma_R(t_j) = \sqrt{\frac{\sum_{p=0}^{19} \left( \text{Ln} \left[ \frac{\text{NAV}(t_{j-p-2})}{\text{NAV}(t_{j-p-3})} \right] \right)^2}{19} - \frac{1}{20} \left( \sum_{p=0}^{19} \text{Ln} \left[ \frac{\text{NAV}(t_{j-p-2})}{\text{NAV}(t_{j-p-3})} \right] \right)^2} \times \sqrt{252}}$$

where

" $\text{Ln}[x]$ " denotes the natural logarithm of  $[x]$ .

Next, the Index Calculation Agent determines the weighting of the Reference Fund for the corresponding Index Valuation Date  $t_j$  ( $w(t_j)$ ) using the following Allocation Table and the realised volatility of the Reference Fund calculated in accordance with the formula described above. The greater the realised volatility of the Reference Fund, the lower the weighting of the Reference Fund and vice versa.

### "Allocation Table":

Realised volatility of the Reference Fund	Weighting $w(t_j)$
$\sigma_R(t_j) < 7.00\%$	100%
$7.00\% \leq \sigma_R(t_j) < 7.25\%$	96%
$7.25\% \leq \sigma_R(t_j) < 7.50\%$	92%
$7.50\% \leq \sigma_R(t_j) < 7.75\%$	90%
$7.75\% \leq \sigma_R(t_j) < 8.00\%$	87%
$8.00\% \leq \sigma_R(t_j) < 8.25\%$	85%
$8.25\% \leq \sigma_R(t_j) < 8.50\%$	82%

$8.50\% \leq \sigma_R(t_j) < 8.75\%$	80%
$8.75\% \leq \sigma_R(t_j) < 9.00\%$	78%
$9.00\% \leq \sigma_R(t_j) < 9.50\%$	74%
$9.50\% \leq \sigma_R(t_j) < 10.00\%$	70%
$10.00\% \leq \sigma_R(t_j) < 10.50\%$	66%
$10.50\% \leq \sigma_R(t_j) < 11.00\%$	63%
$11.00\% \leq \sigma_R(t_j) < 11.50\%$	61%
$11.50\% \leq \sigma_R(t_j) < 12.00\%$	58%
$12.00\% \leq \sigma_R(t_j) < 12.50\%$	56%
$12.50\% \leq \sigma_R(t_j) < 13.00\%$	54%
$13.00\% \leq \sigma_R(t_j) < 13.50\%$	52%
$13.50\% \leq \sigma_R(t_j) < 14.00\%$	50%
$14.00\% \leq \sigma_R(t_j) < 15.00\%$	46%
$15.00\% \leq \sigma_R(t_j) < 16.00\%$	43%
$16.00\% \leq \sigma_R(t_j) < 17.00\%$	41%
$17.00\% \leq \sigma_R(t_j) < 18.00\%$	38%
$18.00\% \leq \sigma_R(t_j) < 19.00\%$	36%
$19.00\% \leq \sigma_R(t_j) < 20.00\%$	35%
$20.00\% \leq \sigma_R(t_j) < 21.00\%$	30%
$21.00\% \leq \sigma_R(t_j) < 22.00\%$	25%
$22.00\% \leq \sigma_R(t_j) < 23.00\%$	20%
$23.00\% \leq \sigma_R(t_j) < 24.00\%$	15%
$24.00\% \leq \sigma_R(t_j) < 25.00\%$	10%
$25.00\% \leq \sigma_R(t_j) < 27.00\%$	5%
$27.00\% \leq \sigma_R(t_j)$	0%

When performing the Dynamic Allocation, the Index Calculation Agent will take into account the possibilities of the Hypothetical Investor to subscribe or redeem Fund Shares (where appropriate taking into consideration subscription and redemption periods of the Reference Fund). This may lead to a delayed or gradual implementation of Dynamic Allocation.

The Dynamic Allocation may be spread across several Banking Days where necessary in order to reduce resulting influences on the development of the price of the Reference Fund and/or its components. Such influences may occur in particular if Dynamic Allocation would lead to the Hedging Party having to buy or sell Fund Shares with a total value of more than 5% of the fund volume in order to enter into or unwind relevant Hedging Transactions or if the market conditions for the components of the Reference Fund generally deteriorate, in particular with regard to their liquidity, or the Reference Fund exercises its right to partially execute redemption requests. The Index Calculation Agent will determine in its reasonable discretion (§ 315 BGB) whether it is necessary to spread the Dynamic Allocation across several Banking Days.

The Index Calculation Agent carries out its obligations described herein on the relevant Banking Days. Where it is necessary to carry out one of the obligations described herein on a different Banking Day, the Index Calculation Agent will postpone the relevant obligation to this other Banking Day. The Index Calculation Agent will determine in its reasonable discretion (§ 315 BGB) whether the requirements of such postponement are met.

## **Section E. - Extraordinary adjustments and market disruptions**

### **I. General extraordinary adjustments**

#### *Adjustment with regard to the Reference Fund*

Should the Index Calculation Agent determine that one or more Fund Events have occurred, the Index Calculation Agent will, if necessary, adjust the Index Concept in such a way that the financial position of the Hypothetical Investor remains unchanged to the greatest extent possible (the "**Reference Fund Adjustment**"). The Index Calculation Agent will determine the type and scope of any measures required for this purpose in its reasonable discretion (§ 315 BGB).

In the context of such Reference Fund Adjustment, the Index Calculation Agent may specifically:

- a) replace the Reference Fund and the Fund Shares, in full or in part, with a fund and fund shares with economically equivalent liquidity, distribution policy and investment strategy (the "**Successor Reference Fund**", and its shares the "**Successor Fund Shares**") in the amount of the proceeds of the liquidation of the relevant Reference Fund within ten Banking Days of the day on which the liquidation proceeds would have been received in part or in full by the Hypothetical Investor. In this event, each reference to the Reference Fund or the Fund Shares will be deemed to refer to the Successor Reference Fund or the Successor Fund Shares, as applicable;
- b) replace the Reference Fund with an index determined in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent (the "**Successor Index**") within ten Banking Days of the day on which the proceeds of the liquidation of the relevant Reference Fund would have been received in part or in full by the Hypothetical Investor; or
- c) adjust any provision of the Index Concept, the adjustment of which is appropriate to account for the economic effect of the Fund Event

(where necessary also adjusting the weighting of the Index Components now included in the Index). Any such Reference Fund Adjustment will be published in accordance with *Section G - Publication of this Index Description*.

The Management Company will take the remuneration that the Index Calculation Agent receives from the Management Company in its function as Investment Adviser into account in its internal pricing models by means of lower costs for the earnings mechanism in its function as Hedging Party. This remuneration is not distributed to the holders of Debt Securities or reinvested in the Index. Should the Reference Fund be replaced in accordance with (a) or (b) resulting in the loss or the reduction of the remuneration received by the Index Calculation Agent in its function as Investment Adviser to the Successor Reference Fund, the Index Calculation Agent will introduce a Synthetic Dividend on the return of the Fund Shares, i.e. the Return1 (as defined in *Section D – Calculation of the Index Value of this Index Description*) is reduced by the Synthetic Dividend as an annual percentage on a daily basis in the same way as Return2 is calculated. This Synthetic Dividend (i) amounts to 1.55% p.a. in the case of a Successor Index, or (ii) in the case of a Successor Reference Fund, is calculated as the difference between 1.55% p.a. and the anticipated reduced trailer fee for holdings of the Successor Reference Fund as an annual percentage. It will, however, not exceed 1.55% p.a. The introduction of a Syn-

thetic Dividend and its amount will be published in accordance with *Section G - Publication of this Index Description*.

**"Fund Event"** means any of the following events:

- a) changes are made in any of the Fund Documents without the consent of the Index Calculation Agent which affect the ability of the Issuer and/or the Hedging Party to maintain its Hedging Transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency of the Fund Shares, (iv) the relevant method of calculating the Net Asset Value, or (v) the timetable for the subscription, redemption or transfer of Fund Shares; the Index Calculation Agent will determine in its reasonable discretion (§ 315 BGB) whether any such change has occurred;
- b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees existing at the date the Reference Fund was included in the Index);
- d) the Management Company fails to publish the Net Asset Value as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- e) a change in the legal form of the Reference Fund;
- f) a change of key persons in key positions of the Management Company or the fund management;
- g) (i) any change in the legal, accounting, tax or regulatory treatment of the Reference Fund or the Management Company; or (ii) the suspension, cancellation, revocation or absence of registration or approval of the Reference Fund or the Management Company; or (iii) the revocation of a relevant authorisation or licence for the Reference Fund or the Management Company by a competent authority; or (iv) the initiation of a regulatory investigation, conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company, other service providers that perform their services for the Reference Fund, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- h) a breach of the investment objectives or investment restrictions of the Reference Fund (as defined in the Fund Documents), and a breach by the Reference Fund or the Management Company of statutory or regulatory provisions;
- i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which (i) requires the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, to create a reserve, provision or similar, or (ii) increases the amount of regulatory capital to be held by the Hedging Party with respect to its Hedging Transactions to an extent that is significant in comparison with the conditions applying on the Index Start Date; the Index Calculation Agent will determine in its reasonable discretion (§ 315 BGB) whether any such change has occurred;
- j) an increase in the proportion of the volume held by the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into Hedging Transactions beyond 35% of the outstanding Fund Shares in the Reference Fund;
- k) the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
- l) the sale or redemption of Fund Shares for mandatory reasons for the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding Hedging Transactions;
- m) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons out-

side the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash, or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;

- n) the Management Company, the Auditor, the Investment Adviser, the Custodian Bank or any other service provider that performs its services for the Reference Fund ceases to act in such capacity or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another service provider of the similarly good standing;
- o) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Reference Fund or the Fund Shares, (ii) the initiation of settlement, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Reference Fund or the merger of the Reference Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder, or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- p) the initiation of settlement, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Management Company;
- q) the Index Calculation Agent loses the right to use the Reference Fund as the basis for the calculation, determination and publication of the Index;
- r) the aggregate net assets under management of the Reference Fund fall below a value of EUR 500 million;
- s) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer, the Hedging Party or a holder of Debt Securities in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent;
- t) no relevant data is provided for the calculation of the taxable basis for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Reference Fund or the Management Company has announced that no relevant data will be provided in accordance with § 5 (1) InvStG in the future;
- u) distributions which diverge significantly from the Reference Fund's normal distribution policy;
- v) changes in the investment or distribution policy of the Reference Fund which could have a substantial negative effect on the amount of the Reference Fund's distributions;
- w) the Reference Fund or the Management Company fails to pay the remuneration agreed with the Investment Adviser, discontinues such payment unlawfully or reduces such payment unlawfully;
- x) the Reference Fund or the Management Company or a company affiliated with it breaches the agreement entered into with the Index Calculation Agent, an Issuer or the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
- y) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- z) the Reference Fund or the Management Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- aa) any other event that could have a noticeable adverse effect on the Net Asset Value of the Reference Fund or the ability of the Hedging Party to hedge its obligations under the Hedging Transactions on more than a temporary basis

to the extent that the financial position of a Hypothetical Investor or of the Hedging Party or of the holders of Debt Securities or other financial instruments linked to the Index suffers a significant ad-

verse change as a result, as determined by the Index Calculation Agent in its reasonable discretion (§ 315 BGB).

The Index Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred. The determination of a Fund Event will be published in accordance with *Section G - Publication of this Index Description*.

*Adjustment with regard to the Reference Index*

Should the Index Calculation Agent determine that one or more Index Events have occurred, the Index Calculation Agent will, if necessary, adjust the Index Concept in such a way that the financial position of the Hypothetical Investor remains unchanged to the greatest extent possible (the "**Reference Index Adjustment**"). The Index Calculation Agent will determine the type and scope of any measures required for this purpose in its reasonable discretion (§ 315 BGB).

In the context of such Reference Index Adjustment, the Index Calculation Agent may specifically:

- a) replace the Reference Index with a new index (the "**Successor Reference Index**") using a methodology that is economically equivalent to the greatest extent possible (including in particular the tracking of rolling money market returns). However, the Successor Reference Index may use differing application periods for the Reference Rates (equal to a Reference Interest Period, as described in *Section C - II. Description of the Reference Index - HVB 3 Months Rolling Euribor Index* of this Index Description) and differing rolling intervals. In this event, each reference to the Reference Index will be deemed to refer to the Successor Reference Index;
- b) adjust any provision of the Index Concept, the adjustment of which is appropriate to account for the economic effect of the Index Event

(where necessary also adjusting the weighting of the Index Components now included in the Index).

"**Index Event**" means any of the following events occurring on or after the Index Start Date:

- a) changes or modifications are made to the method of calculation, determination and publication of the Reference Index, as described in the Reference Index Description, without the consent of the Index Calculation Agent which affect the ability of the Hedging Party to hedge its obligations under the Hedging Transactions (in particular changes with respect to (i) the risk profile of the Reference Index, or (ii) the Reference Index is no longer calculated in euro); the Index Calculation Agent will determine in its reasonable discretion (§ 315 BGB) whether any such change or modification has occurred;
- b) the historic 30-day volatility of the Reference Index exceeds a volatility level of 2.5%; where  $\sigma_{EI}(t_j)$  means the annualised volatility calculated on the basis of the daily logarithmic changes in the value of the Reference Index over the immediately preceding 30 Reference Index Calculation Dates of the Reference Index on a Banking Day (t).  $\sigma_{EI}(t_j)$  is calculated in accordance with the following formula:

$$\sigma_{EI}(t_j) = \sqrt{\frac{\sum_{p=0}^{29} \left( \text{Ln} \left[ \frac{\text{RIV}(t_{j-p})}{\text{RIV}(t_{j-p-1})} \right] \right)^2}{29} - \frac{1}{30} \left( \sum_{p=0}^{29} \text{Ln} \left[ \frac{\text{RIV}(t_{j-p})}{\text{RIV}(t_{j-p-1})} \right] \right)^2} \times \sqrt{252}}$$

Where:

"**Ln[x]**" denotes the natural logarithm of [x];

- c) the calculation or publication of the Reference Index is discontinued;
- d) the Reference Index no longer, in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent, corresponds to the objective of a low-risk investment that is free of currency risk for the Hypothetical Investor;
- e) any other event that, in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent, could have a noticeable adverse effect on the Reference Index Value or the ability of the

Hedging Party to hedge its obligations under the Hedging Transactions on more than a temporary basis.

The Index Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred. The determination of an Index Event will be published in accordance with *Section G - Publication of this Index Description*.

#### *Termination of the Index*

The Index Calculation Agent has the right to temporarily suspend the calculation of the Index following the occurrence of one or more Fund Events and/or one or more Index Events.

Should an adjustment of the Index Concept not be possible or not be reasonable for the Hypothetical Investor, the Index Calculation Agent has the right to permanently discontinue the calculation of the Index at any time; the Index Calculation Agent will determine in its reasonable discretion (§ 315 BGB) whether the relevant requirements are met.

## **II. Adjustment of the Net Asset Value**

In the following cases, the Index Calculation Agent will, for the purposes of calculating the Index Value, adjust the Net Asset Value of the Reference Fund published by the Management Company to account for the economic effects of the relevant events on the Index:

- a) charges or fees are levied in connection with the issue or redemption of Fund Shares;
- b) a Hypothetical Investor would not have received the aggregate proceeds from the redemption of Fund Shares within the usual period or the period specified in the Fund Documents; or
- c) in the event of (i) a manifest error, (ii) the incorrect publication of the Net Asset Value, or (iii) if a Net Asset Value determined and published by the Management Company, as used by the Index Calculation Agent as the basis for the calculation, determination and publication of the Index, is subsequently corrected. In cases (ii) and (iii), the Index Calculation Agent will, where necessary, again determine the relevant Net Asset Value (the "**Corrected Net Asset Value**") and again calculate the Index Value on the basis of the Corrected Net Asset Value, taking into account the situation of a Hypothetical Investor.

The Index Calculation Agent will determine the extent of any necessary adjustments to the Net Asset Value in its reasonable discretion (§ 315 BGB). When adjusting the Net Asset Value, the Index Calculation Agent will take into account the fact that proceeds from the reduction of a Reference Fund may only be allocated to the Reference Index (and vice versa) after the Hypothetical Investor would have received the respective proceeds from the disposal of the Reference Fund or the money market component.

## **III. Adjustment of the value of the Reference Index**

In the following cases, the Index Calculation Agent will, for the purposes of calculating the Index Value, adjust the Reference Index Value of the Reference Index published by the calculation agent of the Reference Index to account for the economic effects of the relevant events on the Index:

- a) in the event of a manifest error in the calculation of the Reference Index Value;
- b) in the event of the incorrect publication of the Reference Index Value; or
- c) if a Reference Index Value determined and published by the Reference Index Sponsor, as used by the Index Calculation Agent as the basis for the calculation of the Index, is subsequently corrected.

The Index Calculation Agent will determine the extent of any necessary adjustments to the Reference Index Value in its reasonable discretion (§ 315 BGB). In cases b. and c., the Index Calculation Agent will, where necessary, again determine the relevant Reference Index Value (the "**Corrected Reference Index Value**") and again calculate the Index Value on the basis of the Corrected Reference Index Value.

## **IV. Market Disruption Events**

- a) If the Hypothetical Investor is not able to subscribe for or redeem Fund Shares on an Index Valuation Date, whether because the subscription or redemption of Fund Shares has been sus-

pending or no Net Asset Value has been published for the Reference Fund or such publication will be delayed (a "**Reference Fund Market Disruption Event**"), the Index Calculation Agent will postpone the calculation, determination and publication of the Index (specifically including the performance of Dynamic Allocation) until such time as the Reference Fund Market Disruption Event ends. The Index Calculation Agent will determine in its reasonable discretion (§ 315 BGB) whether the relevant requirements are met.

If the Reference Fund Market Disruption Event continues for more than thirty Banking Days, the Index Calculation Agent will make an estimate of the Net Asset Value taking into account the then prevailing market conditions and the possibilities of the Hypothetical Investor to sell Fund Shares in the market, in order to perform a calculation, determination and publication of the Index (specifically including the performance of Dynamic Allocation), provided that a data basis is available which is sufficient for the purposes of such estimate. The Index Calculation Agent will determine in its reasonable discretion (§ 315 BGB) whether a sufficient data basis is available. The estimate will be based on a commercially reasonable assessment.

- b) If a Reference Index Value that is required for the calculation, determination and publication of the Index has not been published on an Index Valuation Date, or such publication will be delayed, the Index Calculation Agent will, in order to calculate the required price of the Reference Index, apply the calculation method described in the description of the Reference Index taking into account the most recently available value of the Reference Index.

#### **Section F. - Corrections**

The Index Calculation Agent may correct or amend contradictory or incomplete provisions in the Index Description in accordance with the provisions applicable to the relevant Debt Securities or the relevant other financial instruments linked to the Index.

#### **Section G. - Publication**

The Index Value is published by the Index Calculation Agent on the website [www.onemarkets.de](http://www.onemarkets.de), the Reuters page .UCGRVDW2 and on Bloomberg under the ticker UCGRVDW2 Index.

All determinations made by the Index Calculation Agent in its reasonable discretion (§ 315 BGB) will be published in accordance with the terms and conditions of the relevant Debt Securities or the relevant other financial instruments linked to the Index.

#### **Section H. - Governing law**

This Index Description is governed by German law.

## DESCRIPTION OF HVB STAR FUNDS EXCESS RETURN RISK CONTROL INDEX

This Index Description in relation to the UniCredit Star Funds Excess Return Risk Control Index describes the full terms and conditions for the constitution and calculation of the Index by the Index Sponsor and the Index Calculation Agent, as applicable. In particular it provides information about the underlying assets, definitions, Extraordinary Events and Market Disruptions.

The UniCredit Star Funds Excess Return Risk Control Index (WKN: A11RSN / ISIN: DE000A11RSN1) (the "**Index**") is a EUR denominated Index (the "**Index Currency**") calculated and rebalanced by UniCredit Bank AG, Kardinal-Faulhaber Straße 1, 80333 Munich (the "**Index Calculation Agent**") and created, maintained and published by UniCredit Bank AG, Kardinal-Faulhaber Straße 1, 80333 Munich (the "**Index Sponsor**"). The Index is calculated on a daily basis by the Index Calculation Agent.

### Section A. Definitions and General Information

#### I. Definitions

For the purposes of this description (the "**Index Description**"), the following terms have the following meanings:

**"Business Day"** means any day (other than a Saturday or Sunday) on which each domestic main clearance system commonly used for the settlement of transactions in relation to the Index Components, as well as the Trans-European Automated Real-Time Settlement Express Transfer (TARGET2) System is open.

**"Fund Share"** means an ownership interest issued to or held by an investor in a Reference Fund

**"Hedge Positions"** means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in shares (including Fund Shares), options, futures, derivatives or foreign exchange transactions, (ii) securities lending transactions or (iii) other instruments or arrangements (howsoever described), directly or indirectly entered into by a Hedging Party in order to hedge, individually or on a portfolio basis, any products or transactions linked to the Index.

**"Hedging Party"** means a hypothetical party who would hedge its obligations in respect of any products or transactions linked to the Index.

**"Hypothetical Investor"** Means, with respect to a Fund Share, a hypothetical or actual investor (as determined by the Index Calculation Agent in the context of the relevant situation) in such Fund Share located in the same jurisdiction and tax status as the Index Sponsor and deemed to have the benefits and obligations, as provided in the Fund Documents, of an investor holding the Fund Share at any time.

**"Index Components"** are the Fund Shares included in the Reference Fund Basket at a given time.

**"Index Currency"** means Euro ("**EUR**").

**"Index Level"** has the meaning given in *Section C – I. Index Level Calculation*.

**"Index Level Determination Date"** means any Business Day on which the issue and redemption of Fund Shares of each Reference Fund as described in the relevant Reference Fund Documents, is possible.

**"Index Start Date"** means 1 July 2014.

**"Investment Manager"** means the investment manager of the respective Reference Fund as outlined in the Fund Documents.

**"Net Asset Value"** or "**NAV**" per Fund Share, means with respect to the relevant Fund Shares and a Reference Fund Valuation Date the net asset value (or equivalent value) per Fund Share as of the relevant Reference Fund Valuation Date as recently reported by the respective Reference Fund Service Provider that generally publishes or reports such value on behalf of the Reference Fund to its investors or a publishing service, provided that the Index Sponsor may adjust any Net Asset Value as set out in *Section D – II. Adjustment of Net Asset Value* below.

**"Reference Funds"** means the investment funds contained in the Reference Fund Basket as described in *Section B – II. Index Composition*, subject to the provisions of *Section D* below (each a **"Reference Fund"**).

**"Reference Fund Basket"** is a basket of Reference Funds as described in *Section B – II. Index Composition*, subject to the provisions of *Section D* below.

**"Reference Fund Basket Value"** in respect of Index Level Determination Date *t*, is the value of the Reference Fund Basket at Index Level Determination Date *t* calculated by the Index Calculation Agent as set out in *Section C – I. Index Level Calculation*.

**"Reference Fund Company"** means, in relation to a Reference Fund, the management company of the respective Reference Fund.

**"Reference Fund Documents"** means, in relation to a Reference Fund, – in each case, if available and in the respective most recent version – the annual report, the half-yearly report, the sales prospectus, the terms and conditions of the Reference Fund, the key investor information and all other documents of the Reference Fund in which the terms and conditions of the Reference Fund and of the Fund Shares are specified.

**"Reference Fund Service Provider"** means, in respect of any Reference Fund, any person who is appointed to provide services, directly or indirectly, to that Reference Fund, whether or not specified in the Reference Fund Documents, including any advisor, manager, administrator, operator, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person as may be specified in these Index Rules;

**"Reference Fund Valuation Date"** means any date as of which, in accordance with the Reference Fund Documents, the Reference Fund or the Reference Fund Company or the Reference Fund Service Provider that generally determines such value is or, but for the occurrence of an Extraordinary Reference Fund Event, would have been scheduled to determine the NAV per Fund Share.

## **II. General Information and Disclaimer**

The information with regard to a Reference Fund given by this Index Description is for information purposes only for the benefit of counterparties who intend to enter into related OTC derivative transactions. The content of this Index Description constitutes no offer for subscription of fund shares. The suitability of a Reference Fund is in each case subject to an autonomous decision of each investor.

For the Calculation of the Index Level, the Index Calculation Agent relies on statements, confirmations, computations, assurances and other information provided by third parties. Any inaccuracies contained in such information may have an impact on the calculation of the Index Level. UniCredit Bank AG in its role as Index Sponsor respectively as Index Calculation Agent has no obligation to verify this information independently.

The Index is comprised solely in the form of data sets and provides neither a direct nor an indirect or an economic or a legal ownership or ownership position of the Index Components. Each of the allocations described herein within the Index Components is executed only hypothetically, by changing the relevant data. An obligation of the Index Sponsor, the Index Calculation Agent, or a Hedge Party to the direct or indirect acquisition of the Index Components does not exist. As the case may be, any remuneration paid by the Reference Fund Company, or any distributions paid by a Reference Fund, which is/are paid to the Index Sponsor in its capacity as Hedging Party will not be distributed to the counterparties of related OTC derivative transactions or reinvested to the Index, but will be accounted by the Index Sponsor in his capacity as Hedging Party in its internal pricing models by lower costs for the return mechanism. This Index Description provides the description of the Index as of 23 June 2014. The Index is subject to changes and adjustments by the Index Sponsor.

Subject to the provisions of *Section D*, the Index Sponsor will employ the calculation methods described above. The Index Sponsor's determinations shall be final except where there is a manifest error.

## Section B. General Index Information

### I. Index Objective

The objective of the Index is to provide synthetic exposure to the performance of a notional basket of Fund Shares (the "**Reference Fund Basket**"). The Index aims to track the performance of flexible funds with a daily liquidity and with a proven track record seizing opportunities across different asset classes as equities across different geographical zones, government bonds, investment grade bonds, high-yield bonds, etc.

The Index has a built in volatility control mechanism. When the Index Calculation Agent determines that the realised volatility of the Reference Fund Basket over preceding 20-day or 60-day reference period exceeds the volatility target of 4% (the "**Target Volatility**"), then the exposure of the Index to the Reference Fund Basket will be reduced, with the aim of maintaining the realised volatility of the Index at the Target Volatility. When the Index Calculation Agent determines that the realised volatility of the Reference Fund Basket is below the Target Volatility and the exposure of the Index to the Reference Basket is below 150%, then the exposure of the Index to the Reference Fund Basket will be increased in order to maintain the realised Volatility of the Index at or below the Target Volatility. The maximum exposure of the Index to the Reference Basket is 150%. The Index starts on the Index Start Date with an initial level of 100 index points ("**Initial Index Level**").

The Index is an "excess return" index. As a consequence, the level of the Index reflects the performance of the strategy of the Index above a EUR short term rate.

There is no guarantee and no assurance (express or implied) is given that the Index or Reference Funds described here will achieve the described objective.

### II. Index Composition

The Index represents a certain selection of Index Components and the Index Level is based on the value of the individual Index Components according to this Index Description. On the Index Start Date, the Index was comprised of the following Index Components and with the respective Index weightings ("**Index Weightings**") and currency denomination set out in the table below. Each Index Component being a Reference Fund, of the type 'Fund Share' ("**Component Type**"):

i	Reference Fund (PR <sub>i</sub> )	Currency	Bloomberg Code	ISIN	Index Weighting (W <sub>i</sub> )
1	Templeton Global Total Return Fund	EUR	TGTAACE LX Equity	LU0260870661	1/3
2	JPM Global Income Fund	EUR	JPGIAEA LX Equity	LU0740858229	1/3
3	M&G Optimal Income Fund Euro	EUR	MGOIAEA LN Equity	GB00B1VMCY93	1/3

To determine the Index Levels from the Index Start Date, values of the Index Components were required from a period of approximately 60 Business Days before the Index Start Date, (the "**Index Initial Data Date**") to establish the necessary performance history required for the operation of the Index Methodology.

Following the Index Start Date, the Index Calculation Agent shall review the composition of the Index and the Index Weightings of the Index Components within the Index on an ongoing basis and in accordance with the Index Methodology specified below and the rules governing the Index.

### III. Roles of the Index Sponsor and the Index Calculation Agent

The Index Sponsor is (1) responsible in its reasonable discretion according to § 315 German Civil Code (*Bürgerliches Gesetzbuch*; "**BGB**") for setting and reviewing the rules and procedures, methods

of calculations and adjustments, if any, relating to the Index; and (2) announces (directly or through an agent) the level of such Index.

The Index Sponsor is not acting as a fiduciary or adviser to any investor in the Notes or any other person in relation to the Index.

The Index Calculation Agent performs all determinations and calculations relating to the Index specified in this description and will monitor and maintain certain data (the "**Index Data**") in respect of the Index.

The Index Calculation Agent is responsible for the calculation of the Index including and subject to the determination of any Extraordinary Events and Market Disruption as described in *Section E*. The Index Calculation Agent shall perform such determinations and calculations in respect to the maintenance of the rules and methodology for calculating the Index in good faith and in a commercially reasonable manner and maintains Index Data in accordance with the descriptions set out herein. All information contained in the Index Data (in the absence of manifest error) is final, conclusive and binding to the extent that the Index Calculation Agent reserves the right to change and adjust the Index Data in its reasonable discretion according to § 315 BGB or to rectify manifest errors.

The Index Calculation Agent may at any time in its sole discretion seek advice from third parties. The Index Calculation Agent may resign at any time, provided that, the resignation will take effect only if (i) a successor Index Calculation Agent has been appointed by the Index Sponsor appointed and (ii) such successor index calculation agent accepts its appointment, and (iii) the successor index calculation agent assumes the rights and obligations of the Index Calculation Agent.

UniCredit Bank AG in its role as Index Calculation Agent as well as Index Sponsor will take reasonable care in carrying out its obligations and shall not be liable to any person for any losses, damages, claims, costs or expenses unless caused by gross negligence or wilful default of UniCredit Bank AG in its role as Index Calculation Agent as well as Index Sponsor. This applies also for any successor of UniCredit Bank AG in its role as Index Calculation Agent as well as Index Sponsor.

### **Section C. Description and Formula for calculating the Index**

#### **I. Index Level Calculation**

The Index Level on the Index Start Date is 100. The Reference Basket Value on the Index Start Date is 100.

On each Index Level Determination Date  $t$  after the Index Start Date, the Index Level ("**Index<sub>t</sub>**") will be determined by the Calculation Agent as follows:

$$Index_t = Index_{t-1} \times \left( 1 + W_{t-1} \times \left( \frac{Basket_t}{Basket_{t-1}} - 1 \right) - W_{t-1} \times Euribor_{t-1} \times \frac{Act(t-1,t)}{360} \right)$$

Where

$$Basket_t = Basket_{t-1} \times \left[ 1 + \sum_{i=1}^N w_i \times \left( \frac{NAV_{i,t}}{NAV_{i,t-1}} - 1 \right) \right]$$

where:

"**Basket<sub>t</sub>**" is the Reference Fund Basket Value on the Index Level Determination Date " $t$ ".

"**Basket<sub>t-1</sub>**" is the Reference Fund Basket Value on the Index Level Determination Date immediately preceding Index Level Determination Date " $t$ ".

"**Index<sub>t-1</sub>**" is the Index Level on the Index Level Determination Date immediately preceding Index Level Determination Date " $t$ ".

"**W<sub>t-1</sub>**" is the exposure of the Index to the Reference Fund Basket on the Index Level Determination Date immediately preceding the Index Level Determination Date " $t$ ".

"**NAV<sub>i,t</sub>**" is the Net Asset Value per Share of Index Component "**PR<sub>i</sub>**" on Index Level Determination Date " $t$ ".

"Act(t-1, t)" is the number of calendar days from but excluding Index Level Determination Date "t-1" up to and including the Index Level Determination Date "t".

"W<sub>i</sub>" is the Weight of Index Component "PR<sub>i</sub>".

"N" is the number of Index Components in the Index.

"Euribor<sub>t-1</sub>" means the 3-Month EURIBOR rate, published as of 11:00 am Brussels time and that has been fixed two (2) Index Level Determination Dates prior to Index Level Determination Date "t-1" as determined by the Index Calculation Agent. Provided that if no rate is published, the Index Calculation Agent will determine such rate from other source as it in its reasonable discretion according to § 315 BGB may deem appropriate.

The calculation of the Index Level in relation to an Index Level Determination Date is undertaken on the Business Day when the Index Sponsor has acquired all of the respective Net Asset Values of the Reference Funds, all subject to Section E below.

## II. Dynamic Allocation Rules

A target exposure of the Index to the portfolio of Index Components (the "Target Exposure") is then determined in accordance with the formula below, with the aim of maintaining a target volatility of 4.0%, based on the historical volatility of the Portfolio over both the preceding 20 Index Level Determination Dates and 60 Index Level Determination Dates.

$$W_t = \text{Max} \left( \text{Exposure}_{\min}, \text{Min} \left( \text{Exposure}_{\max}, \frac{\text{Target Volatility}}{\text{Max}(\text{Vol}_{20,t}, \text{Vol}_{60,t})} \right) \right)$$

Where:

$$\text{Exposure}_{\min} = 0\%$$

$$\text{Exposure}_{\max} = 150\%$$

$$\text{Target Volatility} = 4.0\%$$

$$\text{Vol}_{20,t} = \sqrt{\frac{\sum_{p=0}^{19} \left( \text{Ln} \left[ \frac{\text{Basket}_{t-p-2}}{\text{Basket}_{t-p-3}} \right] \right)^2 - \frac{1}{20} \left( \sum_{p=0}^{19} \text{Ln} \left[ \frac{\text{Basket}_{t-p-2}}{\text{Basket}_{t-p-3}} \right] \right)^2}{19}} \times \sqrt{252}$$

$$\text{Vol}_{60,t} = \sqrt{\frac{\sum_{p=0}^{59} \left( \text{Ln} \left[ \frac{\text{Basket}_{t-p-2}}{\text{Basket}_{t-p-3}} \right] \right)^2 - \frac{1}{60} \left( \sum_{p=0}^{59} \text{Ln} \left[ \frac{\text{Basket}_{t-p-2}}{\text{Basket}_{t-p-3}} \right] \right)^2}{59}} \times \sqrt{252}$$

where:

"Vol<sub>20,t</sub>" means in respect of Index Level Determination Date t, the 20 days volatility rate, determined in accordance with the above formula provided by the Index Calculation Agent who will determine the Reference Fund Basket Value for each day required as if such date were a Valuation Date notwithstanding any such date falling prior to the Index Start Date.

"Vol<sub>60,t</sub>" means in respect of Index Level Determination Date t, the 60 days volatility rate, determined in accordance with the above formula provided by the Index Calculation Agent who will determine the Reference Fund Basket Value for each day required as if such date were a Valuation Date notwithstanding any such date falling prior to the Index Start Date;

"Ln[x]" denotes the natural logarithm of "x".

"t" denotes the Index Level Determination Date "t".

"252" is the annualising factor for the determination of the realised volatility and represents the expected number of Index Level Determination Dates in each calendar year.

When adjusting or constituting the composition of the Reference Portfolio, the Index Calculation Agent may delay it in its reasonable discretion according to § 315 BGB the rebalancing of the Reference Portfolio and/or make other adjustments to this Index Description or the determination and/or calculation of the Index to take into account a Hypothetical Investor's ability to subscribe or redeem Fund Shares of the Reference Funds when the allocation to the Reference Portfolio is modified, also taking into consideration liquidity conditions, subscription notice periods, redemption notice periods as well as any subscription or redemption charges of the Reference Funds.

## **Section D. Extraordinary Events, Adjustments and Market Disruptions**

### **I. Extraordinary Events**

If the Index Calculation Agent determines in its reasonable discretion according to § 315 BGB that an Extraordinary Event exists or occurs then it may at its option but is not required to take any of the actions set out in this *Section D – I. Extraordinary Events (Adjustments, Index Component Replacement and Index Cancellation)*. This is without prejudice to the rights of the Index Calculation Agent as set out in this *Section D – II. Adjustment of Net Asset Value and III. Market Disruption Event* below, and in the event that the Index Calculation Agent has the power to take action under both this *Section D. – I. Extraordinary Events* and such *Sections D. – II. Adjustment of Net Asset Value and/or III. Market Disruption Event* below, the Index Calculation Agent may, in its reasonable discretion according to § 315 BGB, select which of the relevant provisions to apply.

For these purposes "Extraordinary Event" means one or more Fund Events as defined in *Section D. – I. Extraordinary Events (Fund Events)* below and/or any of the other events or circumstances described in this *Section D* in respect of which the Index Calculation Agent is entitled to make an adjustment or take any other relevant action as described in this *Section D* in relation to the Index.

#### *Adjustments*

In the case an Extraordinary Event or several Extraordinary Events occur (in particular a change to the dealing schedule for or suspension of subscription or redemption of an Index Component) or regulatory, legal, tax, accounting or market conditions occur that require a modification or change of the Index calculation method, the Index Calculation Agent is entitled, in its reasonable discretion, to make such changes or modifications as it considers necessary or desirable, including for the purposes of Hedge Positions. The Index Calculation Agent will use reasonable endeavours to ensure that the adjusted method of calculation, taking into account the economically practicable possibilities with reasonable discretion of the Index Calculation Agent with respect to the application of the Index, is consistent with the method of calculation described above.

The Index Calculation Agent is entitled, in reasonable discretion, to spread a modification of an adjustment of weights of Index Components over multiple days, with the aim to reduce the impact on the price of a Reference Fund and its portfolio components. Without limitation this may be applicable in circumstances where a Hedging Party respectively adjusts its hedging transactions with respect to its Hedge Positions.

The Index Sponsor is entitled to modify or amend the Index Description in such manner as the Index Sponsor reasonably deems necessary, or to restate the Index Level, in order to cure formal, proven or manifest errors or to cure, correct or supplement defective provisions.

#### *Index Component Replacement*

If an Extraordinary Event or several Extraordinary Events exist or occur with respect to one or more Index Component(s), the Index Calculation Agent is entitled to substitute any or each affected Index Component with a new index component (the "**Replacement Index Component**") in part or completely in its reasonable discretion. The Index Calculation Agent shall use reasonable efforts to identify a Replacement Index Component with liquidity, distribution policy, management company, and investment strategy similar to the relevant affected Index Component. The Index Calculation Agent may determine that the Replacement Index Component is a benchmark index. The weights of the Index Components may be adjusted accordingly to take into account any such new Index Component. The relevant affected Index Component will be substituted with the Replacement Index Component in one or more adjustments to the Index, taking into account each payment of liquidation proceeds (if any) that the Index Calculation Agent determines a Hedging Party, if holding the affected Index Com-

ponent, would receive from such Index Component, in each case within ten Business Days after the Hedging Party would have received the relevant amount, partially or in total, to the extent that the Index Calculation Agent deems, in its discretion, reasonable and practicable.

In the case that an Index Component is replaced, the Index will be calculated on the basis of such Replacement Index Component following the date of such adjustment. Commencing with the first application of the Replacement Index Component, any reference to Index Component in the Index Description, depending on context, shall be deemed to refer to the Replacement Index Component.

#### *Index Cancellation*

The Index Calculation Agent will be entitled following the occurrence of any Extraordinary Event to cease its calculation and determination of the Index, either temporarily or on a permanent basis. Where the Index Calculation Agent elects to permanently cease to calculate and determine the Index, the Index shall be cancelled.

#### *Fund Events*

As used herein, "Fund Event" is, in the reasonable discretion of the Index Calculation Agent any of the following events with respect to a Reference Fund that occurs on or after the Index Start Date:

- a) a material modification to any provisions in any of the Reference Fund Documents, or other document detailing the terms and conditions and objectives of the respective Reference Fund without consent of the Index Sponsor and which may adversely in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent the ability of the Hedging Party, respectively, to hedge its obligations under the Hedge Positions, respectively; in particular including but not limited to such changes as (i) a change in the risk profile of the respective Reference Fund; (ii) an alteration of the investment objectives, investment limits or strategy of the respective Reference Fund; (iii) a change in the currency of the respective Fund Shares; (iv) an alteration of the method that is used for the calculation of the NAV; (v) a change in the dealing schedule for subscription, issue, redemption or transfer of the respective Fund Shares;
- b) requests for redemptions, subscriptions or transfers of Fund Shares are not executed or are only partially executed or subscriptions or redemptions are suspended by the Reference Fund, the Reference Fund Company or the Reference Fund Service Provider or fund distributor;
- c) where a Reference Fund or any third party imposes any restriction, charge, commission, taxes or fees in respect of the sale or purchase, subscription or redemption of the respective Fund Shares (other than the restrictions, fees, commissions and charges in existence as at the time the Fund Shares are included in the Index);
- d) the Reference Fund Company or the Reference Fund Service Provider appointed for this purpose by the Reference Fund Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Reference Fund Documents;
- e) change in the legal nature of the respective Reference Fund;
- f) a resignation or replacement of any key person of the Reference Fund Company or the Investment Manager;
- g) (i) any change in the legal, accounting, tax, regulatory or supervisory treatment in respect of the respective Reference Fund or Reference Fund Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Reference Fund or of the Reference Fund Company; or (iii) the revocation of a corresponding authorisation or licence in respect of the Reference Fund or Reference Fund Company by a competent authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Reference Fund Company or a Reference Fund Service Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- h) a breach by the Reference Fund or the Reference Fund Company of the investment objectives, the investment strategy or the investment restrictions of the Reference Fund (as defined in the Fund Documents) that is material in the reasonable discretion (§ 315 BGB) of the Index Cal-

ulation Agent, or a breach of statutory or regulatory requirements by the Reference Fund or the Fund Company;

- i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Index Calculation Agent (§ 315 BGB), requires the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Hedging Party with respect to its hedging transactions to an extent that is significant in comparison with the conditions applying on the Index Start Date;
- j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Hedging Party with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Hedging Positions would become unlawful or impracticable or would entail substantially higher costs;
- k) a Reference Fund Company, Investment Manager or a Reference Fund is in material breach or any of its existing agreement(s) with the Hedging Party in respect of the distribution of the Fund Shares is terminated or the retrocession payable to the Hedging Party on any Fund Share is reduced;
- l) an increase in the proportion of the volume held by the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into hedging transactions beyond 20% of the outstanding Fund Shares in the Reference Fund;
- m) the Hedging Party would be required pursuant to any accounting or other applicable regulations to consolidate the Reference Fund, as a result of its obligations under the Hedge Positions;
- n) the sale or redemption of Fund Shares for reasons affecting the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding hedging transactions
- o) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets of the Reference Fund;
- p) the Reference Fund Company or a Reference Fund Service Provider discontinues its services for the Reference Fund or loses its accreditation, approval, authorisation or licence and is not immediately replaced by another services provider which in the reasonable discretion of the Index Calculation Agent (§ 315 BGB) is of similarly good standing;
- q) i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Reference Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Reference Fund or the merger of the Reference Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- r) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Reference Fund Company;
- s) a de-merger, reclassification of the respective Reference Fund or consolidation (e.g. the change of the share class of the Reference Fund or the merger of the Reference Fund) with another fund;
- t) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for the Hedging Party in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent;

- u) no relevant data is provided for the calculation of the taxable basis for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Reference Fund or the Reference Fund Company has announced that no relevant data will be provided in accordance with § 5 (1) InvStG in the future;
- v) changes in the investment or distribution policy of the Reference Fund which could have a substantial negative effect on the amount of the Reference Fund's distributions, or distributions which diverge significantly from the Reference Fund's normal distribution policy to date;
- w) the Reference Fund or the Reference Fund Company or a company affiliated to it, breaches the agreement entered into with the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
- x) the Reference Fund or the Reference Fund Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- y) the Reference Fund or the Reference Fund Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- z) any other event that could have a noticeable adverse effect on the NAV of the Reference Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;
- aa) the NAV is no longer published in the Index Currency,
- bb) the occurrence of a "Fund Merger Event" which means in respect of a Reference Fund or its Investment Manager, there is;
  - (1) an irrevocable commitment to transfer all of the relevant Fund Shares or shares that are outstanding;
  - (2) a consolidation, amalgamation or merger of such Reference Fund or such Investment Manager with or into another fund or investment manager other than a consolidation, amalgamation or merger in which such Reference Fund or its Investment Manager is the continuing Reference Fund or Investment Manager as the case may be; and/or
  - (3) a takeover offer for such Reference Fund or Investment Manager that results in a transfer of or an irrevocable commitment to transfer all of the relevant Fund Shares or all the shares of such Investment Manager (other than Fund Shares or shares owned or controlled by the offeror);
- cc) the Hedging Party is unable, or it is impracticable for the Hedge Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to a Fund Share of entering into and performing its obligations with respect to its Hedge Positions, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increases in charges or fees imposed by the relevant Reference Fund on any investor's ability to redeem such Fund Shares, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Shares, or (B) any mandatory redemption, in whole or in part, of such Fund Shares imposed by the relevant Reference Fund (in each case other than any restriction in existence on the date on which such Fund Shares was first included in the Index);
- dd) an order has been made or an effective resolution passed for the winding up, dissolution, termination, liquidation or an event with analogous effect, of the respective Reference Fund or its share class; or
- ee) any event occurs that would, if the Hedging Party and/or any affiliate were holding, purchasing or selling Fund Shares, have the effect of (i) imposing on the Hedging Party and/or any affiliate, any reserve, special deposit or similar requirement which did not exist as of the Index

Start Date or (ii) affecting the amount of regulatory capital that would have to be maintained by the Hedging Party and/or any affiliate in connection with any Hedge Positions or hedging arrangements carried out by the Hedging Party and/or any affiliate in relation to this Index or modifying such requirement existing as at the Index Start Date.

The Index Sponsor or the Index Calculation Agent have no obligation to monitor the occurrence of any of the events described above. The Index Calculation Agent is entitled but has no obligation to determine that a Fund Event has occurred following the occurrence of any of the described events and the Index Calculation Agent is not subject to any time limit in making or determining not to make any such determination.

## **II. Adjustment of Net Asset Value**

The Index Calculation Agent may in its reasonable discretion according to § 315 BGB adjust (in connection with the calculation of the Index Level) the Net Asset Value of the Fund Shares of a Reference Fund in the following cases:

1. A levy or fee is introduced in connection with the subscription or redemption of Fund Shares.
2. A Hedging Party redeeming Fund Shares in accordance with the Reference Fund Documents would not have received the full redemption proceeds from the Fund Shares within the customary time-frame.

In the case of manifest error or error in publication of Net Asset Value of the Fund Shares of a Reference Fund by the respective Reference Fund Company or Reference Fund Service Provider or in case the published Net Asset Value as it is used by the Index Calculation Agent as a basis for calculating the Index is subsequently corrected, where the Index Calculation Agent considers the impact thereof material to the Index it may, in its reasonable discretion according to § 315 BGB, adjust the Index Level and/or any constituents of the Index Level calculation, the allocations of the Index and/or any other provisions of the Index, whether retrospectively or otherwise, to account for this.

## **III. Market Disruption Event**

If a Hedging Party on an Index Level Determination Date cannot or would not be able to subscribe for or redeem Fund Shares or no Net Asset Value of a Reference Fund is published or made available, or such a publication is with a delay, then the Index Calculation Agent may in its reasonable discretion alternatively use the calculation methods as described in *Section D. – II. Adjustment of Net Asset Value*, to determine the redemption and subscription amounts or use the last recently published Net Asset Value. Where the Net Asset Value of a Reference Fund is not made available by the Reference Fund Company or a Reference Fund Service Provider, the Index Calculation Agent may delay the calculation of the Index Level. Where no Net Asset Value is made available for more than thirty Business Days, the Index Calculation Agent shall be entitled but not obliged to make an estimate of the Net Asset Value in its reasonable discretion according to § 315 BGB without any obligation for giving account according to section 259 BGB and taking into account the then prevailing market conditions.

## **Section E. Publication**

The Index Level is published by the Index Sponsor on the Reuters page .UCGRFRC1 and on Bloomberg under the ticker UCGRFRC1 Index <go>.

## FORM OF FINAL TERMS

### Final Terms

dated [Insert]

[UniCredit Bank AG] [UniCredit International Bank (Luxembourg) S.A.]

Issue of [Insert title of the Securities]

(the "Securities")

[guaranteed by

UniCredit S.p.A.]

under the

**[Euro 50,000,000,000] [Euro 1,000,000,000]**

### **Debt Issuance Programme of**

**[UniCredit Bank AG] [UniCredit International Bank (Luxembourg) S.A.]**

*These final terms (the "Final Terms") have been prepared for the purposes of Article 5 para. 4 of the Directive 2003/71/EC, as amended (the "Prospectus Directive"). In order to get the full information the Final Terms are to be read together with the information contained in the base prospectus of UniCredit Bank AG and UniCredit International Bank (Luxembourg) S.A. (each an "Issuer" and together the "Issuers") dated 23 October 2015 for the issuance of Fund-linked Securities (the "Base Prospectus") [and any supplement[s] to this Base Prospectus (the "Supplement[s]")].*

*The Base Prospectus, any Supplements and these Final Terms are available [at UniCredit Bank AG, Arabellastr. 12, 81925 Munich, Federal Republic of Germany, and in addition] [in printed version free of charge at UniCredit International Bank (Luxembourg) S.A., 8-10 rue Jean Monnet, L-2180 Luxembourg, and in addition] on the website [www.bourse.lu](http://www.bourse.lu) [and [insert other website] [or any successor website thereof.*

*[In case of Securities publicly offered or admitted to trading for the first time before the date of the Base Prospectus (or in the case of an increase of Securities) the following applies:*

*These Final Terms are to be read in conjunction with the Base Prospectus as well as the Description of the Securities and the Conditions of the Securities as included in the base prospectus of UniCredit Bank AG and UniCredit International Bank (Luxembourg) S.A. (each as Issuer) and UniCredit S.p.A. (as Guarantor) dated 20 October 2014 for the issuance of Fund-linked Securities under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG and the Euro 1,000,000,000 Debt Issuance Programme of UniCredit International Bank (Luxembourg) S.A. which are incorporated by reference into the Base Prospectus.]*

*[An issue specific summary is annexed to these Final Terms.]*

## SECTION A – GENERAL INFORMATION

### Issue Date and Issue Price:

*Issue Date:* [Insert issue date] [The issue date of each Security is specified in § 1 of the Product and Underlying Data.]

*Issue Price:* [Insert issue price] [The issue price per Security is specified in § 1 of the Product and Underlying Data.] [The issue price per Security will be specified on [Insert date]. The issue price and

the on-going offer price of the Securities will be published [on the websites of the stock exchanges where the Securities will be traded] [on [www.bourse.lu] *[Insert website]* (or any successor website)] after its specification.]

**Selling concession:**

[Not applicable] [; no such expenses will be charged to the investor by the Issuer [or any Distributor].] [An upfront fee in the amount of *[Insert]* is included in the Issue Price] *[Insert details]*

*[In the case of Securities being offered to Italian consumers, the following applies:*

The Issue Price comprises the following commission[s]: [a structuring commission for the Issuer, equal to *[Insert amount]* per Security] [,] [and] [a placement commission for the Distributor, equal to *[Insert amount]* per Security] [,] [and other charges for the Issuer equal to *[Insert amount]* per Security].

In the case of disinvestment the day after the Issue Date, the presumable value at which the Security Holders may liquidate the Securities is *[Insert amount]* with the same market conditions as on *[Insert date]*.]

**Other commissions:**

[Not applicable] [A total commission and concession of up to *[Insert]*% may be received by the Distributors]. *[Insert details]*

**Issue volume:**

The issue volume of [the] [each] Series [offered] [issued] under and described in these Final Terms is specified in § 1 of the Product and Underlying Data.

The issue volume of [the] [each] Tranche [offered] [issued] under and described in these Final Terms is specified in § 1 of the Product and Underlying Data.

**Product Type:**

[Fund-linked Garant Securities] [Fund-linked Garant Cap Securities]

[Fund Index Securities with Minimum Amount] [Fund Index Securities with Minimum Amount and Cap]

[Fund Reverse Convertible Securities]

[Fund-linked Sprint Securities] [Fund-linked Sprint Cap Securities]

[Fund-linked Garant Basket Securities] [Fund-linked Garant Cap Basket Securities]

[Fund-linked Garant Rainbow Securities] [Fund-linked Garant Cap Rainbow Securities]

[Fund Index Performance Telescope Securities] [Garant Performance Telescope Securities]

[Garant Performance Telescope Basket Securities] [Fund Index Telescope Securities]

[Garant Telescope Securities]

[Securities linked to Target Vol Strategies]

**Admission to trading and listing:**

*[If an application of admission to trading of the Securities has been or will be made, the following applies:*

Application [has been] [will be] made for the Securities to be admitted to trading [within [*Insert period of time*] from the Issue Date] [with effect from [*Insert expected date*]] on the following markets: [Regulated market of the Luxembourg Stock Exchange] [*Insert other market(s)*].]

[Application to listing will be made as of [*Insert date*] on the following markets: [Official list of the Luxembourg Stock Exchange] [*Insert other market(s)*].]

[If securities of the same class of the Securities admitted to trading are already admitted to trading on a regulated or an equivalent market, the following applies:

To the knowledge of the Issuer, securities of the same class of the Securities to be offered or admitted to trading are already admitted to trading on the following markets: [regulated market of the Luxembourg Stock Exchange] [*Insert other relevant regulated or (an) equivalent market(s)*].]

[Not applicable. No application for the Securities to be admitted to trading on a regulated or equivalent market has been made and no such application is intended.]

[The [*Insert name of the Market Maker*] (also the "**Market Maker**") undertakes to provide liquidity through bid and offer quotes in accordance with the market making rules of [*Insert relevant regulated or (an) equivalent market(s)*], where the Securities are expected to be listed. The obligations of the Market Maker are regulated by the rules of the markets organised and managed by [*Insert relevant regulated (an) equivalent market(s)*], and the relevant instructions to such rules.

[Moreover, the Market Maker undertakes to apply, in normal market conditions, a spread between bid and offer quotes not higher than [*Insert percentage*]%.]

#### **Payment and delivery:**

[If the Securities will be delivered against payment, the following applies:

Delivery against payment]

[If the Securities will be delivered free of payment, the following applies:

Delivery free of payment]

[Insert other method of payment and delivery]

#### **Terms and conditions of the offer:**

[Day of the first public offer: [*Insert the day of the first public offer*].]

[The Securities will [initially] be offered during a subscription period [, and continuously offered thereafter] (the "**Offer Period**").

[Subscription period: [*Insert first day of subscription period*] – [*Insert last day of subscription period*] [( [*Insert*] [p.m.] [a.m.] [*Insert*] local time)].]

Subscription orders are irrevocable [,] [except for provisions [in respect to the "door to door selling", in relation to which the subscription orders will be accepted starting from [*Insert first day of subscription period*] to [*Insert last day of door to door subscription period*]] [and] [in respect to the "long distance technique selling", in relation to which subscription orders will be accepted starting from [*Insert first day of subscription period*] to [*Insert last day of long distance technique selling subscription period*]] – unless closed in advance and without previous notice –] and will be satisfied within the limits of the maximum number of Securities on offer.]

[In the case of Securities being offered to Italian consumers, the following applies:

The Securities can be placed by the relevant Distributor through ["door to door selling" (through financial sales agents, pursuant to the articles 30 and 31 of the Italian Legislative Decree 24 February 1998, n. 58)] [or] ["long distance technique selling" (pursuant to the article 67-duodecies, Par. 4 of the Italian Legislative Decree 6 September 2005, n. 206)]. Therefore, the effects of the subscription agreements will be suspended [for seven days, with reference to those "door to door selling"] [,] [and] [for fourteen days, with reference to "long distance technique selling"], from the date of the subscription by the investors. Within such terms, the investor can withdraw by means of a notice to the financial promoter or the Distributors without any liability, expenses or other fees according to the conditions indicated in the subscription agreement.]]

[A public offer will be made in [Germany][,] [and] [Austria][,] [and] [Italy][,] [and] [France][,] [and] [Luxembourg][,] [and] [Belgium][,] [and] [Ireland][,] [and] [United Kingdom][,] [and] [the Czech Republic][,] [and] [Poland][,] [and] [Slovakia].]

[The smallest transferable unit is [Insert].]

[The smallest tradable unit is [Insert].]

The Securities will be offered to [qualified investors][,] [and/or] [retail investors] [and/or] [institutional investors] [by way of [a private placement] [a public offering]] [by financial intermediaries].

[As of the day of the first public offer the Securities described in the Final Terms will be offered on a continuous basis [up to its maximum issue size. The number of offered Securities may be reduced or increased by the Issuer at any time and does not allow any conclusion on the size of actually issued Securities and therefore on the liquidity of a potential secondary market].]

[The continuous offer will be made on current ask prices provided by the Issuer.]

[The public offer may be terminated or withdrawn by the Issuer at any time without giving any reason.]

[No public offer occurs. [The Securities shall be admitted to trading on an organised market.]]

*[In the case of Securities being offered to Italian consumers, the following applies:*

The [Issuer] [Distributor] is the intermediary responsible for the placement of the Securities ("*Responsabile del Collocamento*"), as defined in article 93-bis of the Italian Legislative Decree 24 February 1998, n. 58 (as subsequently amended and supplemented).

No specific allocation method is established. Subscription requests shall be satisfied by the relevant office in a chronological order and within the limits of the available amount.]

[The Securities will be underwritten [with a firm commitment basis] [without a firm commitment basis] [under best efforts arrangements] by the following Distributor[s]: [Insert Distributor[s].] [Insert percentage]% of the issue is not underwritten.] [The [underwriting] [subscription] agreement [is] [will be] dated as of [Insert date].]

### **Consent to the use of the Base Prospectus:**

*[In the case of a general consent, the following applies:*

The Issuer consents to the use of the Base Prospectus by all financial intermediaries (so-called general consent).

General consent for the subsequent resale or final placement of Securities by the financial intermediary[y][ies] is given in relation to [Germany][,] [and] [Austria][,] [and] [Italy][,] [and] [France][,]

[and] [Luxembourg][,] [and] [Belgium][,] [and] [Ireland][,] [and] [United Kingdom][,] [and] [the Czech Republic][,] [and] [Poland][,] [and] [Slovakia].]

*[In the case of an individual consent the following applies:*

The Issuer consents to the use of the Base Prospectus by the following financial intermediaries (so-called individual consent):

*[Insert name(s) and address(es)].*

Individual consent for the subsequent resale or final placement of the Securities by the financial intermediary[y][ies] is given in relation to [Germany][,] [and] [Austria][,] [and] [Italy][,] [and] [France][,] [and] [Luxembourg][,] [and] [Belgium][,] [and] [Ireland][,] [and] [United Kingdom][,] [and] [the Czech Republic][,] [and] [Poland][,] [and] [Slovakia] to *[Insert name[s] and address[es]]* *[[Insert details]].*

[The Issuer's consent to the use of the Base Prospectus is subject to the condition that each financial intermediary complies with the applicable selling restrictions and the terms and conditions of the offer.

[Moreover, the Issuer's consent to the use of the Base Prospectus is subject to the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the Securities. This commitment is made by the publication of the financial intermediary on its website stating that the prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent.]

Besides, the consent is not subject to any other conditions.]

[Not applicable. No consent is given.]

#### **US Selling Restrictions:**

[TEFRA C]

[TEFRA D]

[Neither TEFRA C nor TEFRA D]<sup>34</sup>

#### **Interest of Natural and Legal Persons involved in the Issue/Offer:**

[With regard to trading of the Securities the Issuer has a conflict of interest being also the Market Maker on the *[Insert relevant regulated or (an) unregulated market(s)]*;] [moreover] *[[T][t]he [Insert relevant regulated or (an) unregulated market(s)]* is organised and managed by *[Insert name]*, a company in which UniCredit S.p.A. – the Holding Company of UniCredit Bank AG as the Issuer – has a stake in.] [The Issuer is also the arranger and the Calculation Agent of the Securities.]

[Not applicable.]

#### **Additional information:**

*[Insert additional provisions]<sup>35</sup>*

[Not applicable]

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<sup>34</sup> Only applicable in the case of Securities, which are qualified as registered obligation in terms of Section 5f.103-1 of the United States Treasury Regulations and Notice 2012-20, and in case of Securities in bearer form (bearer securities) in terms of Notice 2012-20 of the United States Internal Revenue Service (IRS) with a maturity of one year or less (including unilateral rollovers or extensions).

<sup>35</sup> Only such additional information will be included that are foreseen in Annex XXI of the Prospectus Directive (Commission Regulation (EC) No 809/2004 of 29 April 2004).

## SECTION B – CONDITIONS

### Part A - General Conditions of the Securities

Type of the Securities:	[Notes] [Certificates]
Global Note:	[Permanent Global Note] [Temporary Global Note]
Principal Paying Agent:	[UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom] [ <i>Insert name and address of other paying agent</i> ]
French Paying Agent:	[CACEIS Bank S.A., 1-3 rue place Valhubert, 75206 Paris Cedex 13, France] [ <i>Insert name and address of other French Paying Agent</i> ] [Not applicable]
Calculation Agent:	[UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [ <i>Insert name and address of other calculation agent</i> ]
Clearing System, Custody:	[CBF] [CBL and Euroclear Bank] [Euroclear France] [Other] [ <i>In the case of Securities being offered to Italian consumers, the following applies: (bridge to Monte Titoli)</i> ]

### Part B - Product and Underlying Data

[Insert "Product and Underlying Data" (including relevant options contained therein) and complete relevant placeholders]

### Part C - Special Conditions of the Securities

[Insert the relevant Option of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[UniCredit Bank AG] [UniCredit International Bank (Luxembourg) S.A.]

[*Insert issue specific summary here, if applicable. It shall be noted that the issue specific summary needs to be drafted on the basis of the summary set out in the Base Prospectus. No further information may be added, but the information will be made specific for the relevant issue of Securities only, i.e. parts of the summary relating to the Base Prospectus which are of no relevance for a specific issue must be deleted and information which is drafted in a general manner must be replaced by issue specific information.*]

**FORM OF WAIVER NOTICE**

The form of Waiver Notice is applicable for Securities which shall be admitted to trading on an Italian regulated or unregulated market:

**FORM OF WAIVER OF EXERCISE**

\_\_\_\_\_

(Name of Securities and ISIN)

To: **UniCredit Bank AG**

Facsimile: + 39 02 49535357

Failure properly to complete this waiver of exercise or to submit a substantially similar form of waiver of exercise shall result in the waiver of exercise being treated as null and void.

**PLEASE USE BLOCK CAPITALS**

**1. Details of Holder(s) of the Securities**

Name:

Address:

Facsimile:

Telephone:

\_\_\_\_\_

**Details of Tranche of Securities**

The Tranche of Securities to which this waiver of exercise relates:

\_\_\_\_\_

**Waiver of Automatic Exercise**

I/We, being the holder of the Securities referred to below forming part of the above Tranche of Securities, hereby waive the automatic exercise of such Securities in accordance with the Conditions thereof.

\_\_\_\_\_

**Number of Securities**

The number of Securities is as follows:

**Dated**

\_\_\_\_\_

**Signed**

[In the case of Securities governed by German law and issued by UniCredit International Luxembourg, the following applies:

## GUARANTEE

The guarantee (the "**Guarantee**") is applicable for Guaranteed Securities issued from time to time by UniCredit International Luxembourg under this Base Prospectus:

## GUARANTEE

1. The Guarantor hereby irrevocably and (subject as provided in paragraph 2 below) unconditionally guarantees:
  - (i) the due and punctual payment of the principal of and interest on all Guaranteed Securities issued from time to time by UniCredit International Luxembourg and of all other amounts payable by UniCredit International Luxembourg under this Base Prospectus in relation to such Guaranteed Securities and the relevant coupons; and
  - (ii) the due and punctual performance and observance by UniCredit International Luxembourg of each of the other provisions of this Base Prospectus on its part to be performed or observed in relation to such Guaranteed Securities and coupons when issued by it.
2. The Guarantor's obligations under this Guarantee shall be limited to the aggregate amount of Euro 1,100,000,000 (the "**Maximum Guaranteed Amount**"). If the aggregate amount of liabilities due under the Guaranteed Securities exceeds the Maximum Guaranteed Amount, any and each Security Holder's claim under the Guarantee, including any and each Security Holder's claim for which payment has been previously made under the Guarantee, shall be reduced pro rata so that the aggregate amount of such liabilities shall not exceed the Maximum Guaranteed Amount, and any and each Security Holder who previously received payment under the Guarantee of an amount that exceeds such pro rata amount shall repay the excess amount to the Guarantor upon demand of the Guarantor.
3. For the avoidance of doubt, the Guarantor's obligations under this Guarantee shall only apply to Guaranteed Securities issued by UniCredit International Luxembourg from time to time.
4. The effectiveness of the Guarantee is subject to the actual issues of Guaranteed Securities by UniCredit International Luxembourg and limited to the overall amount of such issuances outstanding from time to time and such other amounts as provided for in subparagraphs (i) and (ii) of paragraph 1 above.
5. If UniCredit International Luxembourg fails for any reason whatsoever to pay any such principal, interest or other amount thereby giving rise to a default (being an event upon the happening of which the securities of any Series would, as therein provided, become immediately due and repayable), the Guarantor shall cause each and every such payment to be made as if the Guarantor instead of UniCredit International Luxembourg were expressed to be the primary obligor of the relevant Guaranteed Security and not merely as surety (but without affecting the Issuer's obligations) to the intent that the holder thereof shall receive the same amounts in respect of principal, interest or such other amount as would have been receivable had such payments been made by the Issuer.
6. If any payment received by any Security Holder or couponholder pursuant to the provisions of this Base Prospectus in relation to such Guaranteed Securities or the coupons shall (whether on the subsequent bankruptcy, insolvency or corporate reorganisation of the Issuer or, without limitation, on any other event) be avoided or set aside for any reason, such payment shall not be considered as discharging or diminishing the liability of the Guarantor and this Guarantee shall continue to apply as if such payment had at all times remained owing by UniCredit International

Luxembourg and the Guarantor shall indemnify the relevant Security Holder and/or couponholder (as the case may be) in respect thereof provided that the obligations of the Guarantor under this paragraph 6 shall, as regards each payment, made to any Security Holder or couponholder which is avoided or set aside, be contingent upon such payment being reimbursed to UniCredit International Luxembourg or other persons entitled through UniCredit International Luxembourg.

7. The Guarantor hereby agrees that its obligations hereunder shall (subject as provided in paragraph 2 above) be unconditional and that the Guarantor shall be fully liable irrespective of the validity, regularity, legality or enforceability against UniCredit International Luxembourg of, or of any defence or counter-claim whatsoever available to UniCredit International Luxembourg in relation to, its obligations under this Guarantee, whether or not any action has been taken to enforce the same or any judgment obtained against UniCredit International Luxembourg, whether or not any of the other provisions of this Base Prospectus have been modified, whether or not any time, indulgence, waiver, authorisation or consent has been granted to UniCredit International Luxembourg by or on behalf of the relevant Security Holders and the relevant coupon holders, whether or not there have been any dealings or transactions between UniCredit International Luxembourg, any of the relevant Security Holders or coupon holders, whether or not UniCredit International Luxembourg has been dissolved, liquidated, merged, consolidated, bankrupted or has changed its status, functions, control or ownership, whether or not UniCredit International Luxembourg has been prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation and whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor. Accordingly, the validity of this Guarantee shall not be affected by reason of any invalidity, irregularity, illegality or unenforceability of all or any of the obligations of UniCredit International Luxembourg under this Base Prospectus and this Guarantee shall not be discharged nor shall the liability of the Guarantor under this Guarantee be affected by any act, thing or omission or means whatever whereby its liability would not have been discharged if it had been the principal debtor.
8. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of UniCredit International Luxembourg, any right to require a proceeding first against UniCredit International Luxembourg, protest or notice with respect to the relevant Guaranteed Securities or coupons or the indebtedness evidenced thereby and all demands whatsoever and hereby covenants that this Guarantee shall be a continuing guarantee, shall extend to the ultimate balance of all sums payable and obligations owed by UniCredit International Luxembourg under this Base Prospectus in relation to the relevant Guaranteed Securities and coupons, shall not be discharged except by complete performance of the obligations contained in this Base Prospectus in relation to the relevant Guaranteed Securities and coupons and is additional to, and not instead of, any security or other Guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise.
9. If any moneys shall become payable by the Guarantor under this Guarantee the Guarantor shall not, so long as the same remain unpaid:
  - (i) in respect of any amounts paid by it under this Guarantee, exercise any rights of subrogation or contribution or, without limitation, any other right or remedy which may accrue to it in respect of or as a result of any such payment; or
  - (ii) in respect of any other moneys for the time being due to the Guarantor by UniCredit International Luxembourg, claim payment thereof or exercise any other right or remedy.

If, notwithstanding the foregoing, upon the bankruptcy, insolvency or liquidation of UniCredit International Luxembourg any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Guarantor before payment in full of all principal of, and interest on, the relevant Guaranteed Securities and coupons shall have been made to the relevant Security Holders and coupon holders, such payment or distribution shall

be received by the Guarantor on trust to pay the same over towards the payment of all sums due and unpaid under this Base Prospectus.

10. The obligations of the Guarantor under this Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank and will rank *pari passu* with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
11. This Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, German law.

[In the case of Securities governed by English law and issued by UniCredit International Luxembourg, the following applies:

## FORM OF ENGLISH LAW GUARANTEE

### FORM OF DEED POLL GUARANTEE OF UNICREDIT S.P.A.

**THIS GUARANTEE** is given on [●] by UniCredit S.p.A. (the "**Guarantor**")

The guarantee (the "**Guarantee**") is applicable for Guaranteed Securities issued from time to time by UniCredit International Luxembourg under this Base Prospectus.

1. **NOW THIS DEED WITNESSETH** as follows: The Guarantor hereby irrevocably and (subject as provided in paragraph 2 below) unconditionally guarantees:
  - (i) the due and punctual payment of the principal of and interest on all Guaranteed Securities issued from time to time by UniCredit International Luxembourg and of all other amounts payable by UniCredit International Luxembourg under this Base Prospectus in relation to such Guaranteed Securities; and
  - (ii) the due and punctual performance and observance by UniCredit International Luxembourg of each of the other provisions of this Base Prospectus on its part to be performed or observed in relation to such Guaranteed Securities when issued by it.

For the avoidance of doubt, the Guarantor's obligations under this Guarantee shall only apply to Guaranteed Securities issued by UniCredit International Luxembourg from time to time.

2. The Guarantor's obligations under this Guarantee shall be limited to the aggregate amount of Euro 1,100,000,000 (the "**Maximum Guaranteed Amount**"). If the aggregate amount of liabilities due under the Guaranteed Securities exceeds the Maximum Guaranteed Amount, any and each Security Holder's claim under the Guarantee, including any and each Security Holder's claim for which payment has been previously made under the Guarantee, shall be reduced pro rata so that the aggregate amount of such liabilities shall not exceed the Maximum Guaranteed Amount, and any and each Security Holder who previously received payment under the Guarantee of an amount that exceeds such pro rata amount shall repay the excess amount to the Guarantor upon demand of the Guarantor.
3. The effectiveness of the Guarantee is subject to the actual issues of Guaranteed Securities by UniCredit International Luxembourg and limited to the overall amount of such issuances outstanding from time to time and such other amounts as provided for in subparagraphs (i) and (ii) of paragraph 1 above.
4. If UniCredit International Luxembourg fails for any reason whatsoever to pay any such principal, interest or other amount thereby giving rise to a default (being an event upon the happening of which the securities of any Series would, as therein provided, become immediately due and repayable), the Guarantor shall cause each and every such payment to be made as if the Guarantor instead of UniCredit International Luxembourg were expressed to be the primary obligor of the relevant Guaranteed Security and not merely as surety (but without affecting the Issuer's obligations) to the intent that the holder thereof shall receive the same amounts in respect of principal, interest or such other amount as would have been receivable had such payments been made by the Issuer.
5. If any payment received by any Security Holder pursuant to the provisions of this Base Prospectus in relation to such Guaranteed Securities shall (whether on the subsequent bankruptcy, insolvency or corporate reorganisation of the Issuer or, without limitation, on any other event) be avoided or set aside for any reason, such payment shall not be considered as discharging or

diminishing the liability of the Guarantor and this Guarantee shall continue to apply as if such payment had at all times remained owing by UniCredit International Luxembourg and the Guarantor shall indemnify the relevant Security Holder in respect thereof PROVIDED THAT the obligations of the Guarantor under this paragraph 5 shall, as regards each payment made to any Security Holder which is avoided or set aside, be contingent upon such payment being reimbursed to UniCredit International Luxembourg or other persons entitled through UniCredit International Luxembourg.

6. The Guarantor hereby agrees that its obligations hereunder shall (subject as provided in paragraph 2 above) be unconditional and that the Guarantor shall be fully liable irrespective of the validity, regularity, legality or enforceability against UniCredit International Luxembourg of, or of any defence or counter-claim whatsoever available to UniCredit International Luxembourg in relation to, its obligations under this Guarantee, whether or not any action has been taken to enforce the same or any judgment obtained against UniCredit International Luxembourg, whether or not any of the other provisions of this Base Prospectus have been modified, whether or not any time, indulgence, waiver, authorisation or consent has been granted to UniCredit International Luxembourg by or on behalf of the relevant Security Holders, whether or not there have been any dealings or transactions between UniCredit International Luxembourg, any of the relevant Security Holders, whether or not UniCredit International Luxembourg has been dissolved, liquidated, merged, consolidated, bankrupted or has changed its status, functions, control or ownership, whether or not UniCredit International Luxembourg has been prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation and whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor. Accordingly, the validity of this Guarantee shall not be affected by reason of any invalidity, irregularity, illegality or unenforceability of all or any of the obligations of UniCredit International Luxembourg under this Base Prospectus and this Guarantee shall not be discharged nor shall the liability of the Guarantor under this Guarantee be affected by any act, thing or omission or means whatever whereby its liability would not have been discharged if it had been the principal debtor.
7. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of UniCredit International Luxembourg, any right to require a proceeding first against UniCredit International Luxembourg, protest or notice with respect to the relevant Guaranteed Securities or the indebtedness evidenced thereby and all demands whatsoever and hereby covenants that this Guarantee shall be a continuing guarantee, shall extend to the ultimate balance of all sums payable and obligations owed by UniCredit International Luxembourg under this Base Prospectus in relation to the relevant Guaranteed Securities, shall not be discharged except by complete performance of the obligations contained in this Base Prospectus in relation to the relevant Guaranteed Securities and is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise.
8. If any moneys shall become payable by the Guarantor under this Guarantee the Guarantor shall not, so long as the same remain unpaid:
  - (i) in respect of any amounts paid by it under this Guarantee, exercise any rights of subrogation or contribution or, without limitation, any other right or remedy which may accrue to it in respect of or as a result of any such payment; or
  - (ii) in respect of any other moneys for the time being due to the Guarantor by UniCredit International Luxembourg, claim payment thereof or exercise any other right or remedy.

If, notwithstanding the foregoing, upon the bankruptcy, insolvency or liquidation of UniCredit International Luxembourg, any payment or distribution of assets of the Issuer of any kind or

character, whether in cash, property or securities, shall be received by the Guarantor before payment in full of all principal of, and interest on, the relevant Guaranteed Securities shall have been made to the relevant Security Holders, such payment or distribution shall be received by the Guarantor on trust to pay the same over towards the payment of all sums due and unpaid under this Base Prospectus.

9. The obligations of the Guarantor under this Guarantee constitute direct, unconditional, unsecured and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank and will rank pari passu with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
10. The Guarantor represents and warrants that all necessary governmental consents and authorisations for the giving and implementation of the Guarantee have been obtained.
11. This Guarantee shall ensure for the benefit of the Security Holders and shall be deposited with and held by [the Principal Paying Agent].
12. This Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.
13.
  - (a) Subject to subparagraph (c) below, the Guarantor irrevocably agrees for the benefit of the Security Holders that the English courts are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Guarantee (including any dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) (a "**Dispute**") and accordingly submit to the exclusive jurisdiction of the English courts.
  - (b) The Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
  - (c) To the extent allowed by law, the Security Holders may, in respect of any Dispute or Disputes, take any suit, action or proceeding arising out of or in connection with this Guarantee (together referred to as "**Proceedings**") (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Guarantee) against the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.
  - (d) The Guarantor appoints [●] at [●] as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of [●] being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

**[INSERT RELEVANT DEED SIGNATURE BLOCK FOR UNICREDIT S.P.A.]**

## TAXATION

The Issuers do not assume any responsibility for the withholding of taxes at the source.

### GERMANY

*The following is a general discussion of certain German tax consequences of the acquisition, the holding and the sale, as well as the assignment or redemption of Securities. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

*With regard to certain types of Securities, neither official statements of the tax authorities nor court decisions exist, and it is not clear how income from these Securities will be taxed. Furthermore, there is often no consistent view in legal literature about the tax treatment of instruments like the Securities, and it is neither intended nor possible to mention all different views in the following section. Where reference is made to statements of the tax authorities, it should be noted that the tax authorities may change their view even with retroactive effect and that the tax courts are not bound by circulars of the tax authorities and, therefore, may take a different view. Even if court decisions exist with regard to certain types of securities, it is not certain that the same reasoning will apply to the Securities due to certain peculiarities of such Securities. Furthermore, the tax authorities may restrict the application of judgements of tax courts to the individual case with regard to which the judgement was rendered.*

*Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the acquisition, holding and the sale, as well as the assignment or redemption of Securities, including the effect of any state or local taxes, under the tax laws of Germany and each country of which they are residents. Only these advisers will be able to take into account appropriately the details relevant to the taxation of the respective Security Holders.*

### German Tax Residents

The section "**German Tax Residents**" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany).

#### *Private Investors*

##### *Taxation of Ongoing Payments and Capital Gains*

Ongoing payments on the Securities held by private holders as private assets ("**Private Investors**") qualify as investment income pursuant to § 20 para. 1 German Income Tax Act (*Einkommensteuergesetz*) and are, in general, taxed at a separate tax rate of 25% (*Abgeltungsteuer*, in the following also referred to as "**flat tax**"), plus 5.5% solidarity surcharge thereon and, if applicable, church tax. The same treatment applies to capital gains from the sale, assignment or redemption of Securities by Private Investors. If the Securities are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale.

Capital gains are determined by taking the difference between the sale, assignment or redemption price (after the deduction of expenses directly and factually related to the sale, assignment or redemption) and the acquisition price of the Securities. If similar Securities held or administered in the same custodial account were acquired at different points in time, the Securities first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where the Securities are purchased, sold, assigned or redeemed in a currency other than Euro the sale, assignment or redemption price as well as the acquisition costs have to be converted into Euro on the basis of the foreign ex-

change rates prevailing on the acquisition date and the sale, assignment or redemption date respectively.

In case of a physical settlement of certain Securities which grant the Issuer or the Private Investor the right to opt for a physical delivery of underlying securities instead of a money payment, the acquisition costs of the Securities may be regarded as proceeds from the sale, assignment or redemption of the Securities and hence as acquisition costs of the underlying securities received by the Private Investor upon physical settlement; any consideration received by the Private Investor in addition to the underlying securities qualifies as taxable investment income. To the extent the provision mentioned above is applicable, such an exchange of the Securities into the underlying securities does not result in a taxable gain for the Private Investor. However, investment income taxation may then apply to any gain resulting from the sale, assignment or redemption of the securities received in exchange for the Securities. In this case, the taxable gain will be the difference between the proceeds from the sale, assignment or redemption of the underlying securities and the acquisition costs of the Securities (after deduction of expenses related directly to the disposal, if any).

The German Federal Ministry of Finance (*Bundesfinanzministerium*) in its decree dated 9 October 2012 (docket IV C 1 – S 2252/10/10013, hereafter referred to as "**Decree**") has taken the position that a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) shall, in general, not be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. This position is subject to controversial discussions among tax experts. In this respect, it is not clear whether the position of the tax authorities may affect securities (*Wertpapiere*) which are linked to a reference value in case such value decreases. Moreover, according to the Decree the German Federal Ministry of Finance holds the view that a disposal (*Veräußerung*) (and, as a consequence, a tax loss resulting from such disposal) shall not be recognised if the sales price does not exceed the actual transaction cost.

Expenses (other than such expenses directly and factually related to the sale, assignment or redemption) related to ongoing payments or capital gains from the Securities are – except for a standard lump sum (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) – not deductible.

According to the flat tax regime losses from the sale, assignment or redemption of the Securities can only be set-off against other investment income (including capital gains). Furthermore, any losses realised upon the disposal of shares in stock corporations received in exchange for the Securities can only be off-set against capital gains deriving from the disposal of shares. If the set-off is not possible in the assessment period in which the losses have been realised, such losses can be carried forward into future assessment periods only and can be set-off against investment income (including capital gains) or, as the case may be, capital gains from the disposal of shares generated in these future assessment periods.

### *Withholding Tax*

If the Securities are held in a custody with or administrated by a German branch of a German or non-German credit institution, or a financial services institution (including a German permanent establishment of such foreign institution), a German securities trading company or German securities trading bank (the each a "**Disbursing Agent**"), the flat tax at a rate of 25% (plus 5.5% solidarity surcharge thereon, the total withholding being 26.375%) will be withheld by the Disbursing Agent on investment income. For individual investors who are subject to church tax applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

The withholding tax on capital gains from the Securities is calculated on the basis of the difference between the proceeds from the sale, assignment or redemption after deduction of expenses directly

related to the sale, assignment or redemption and the cost of acquisition, provided the Securities have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. The Disbursing Agent will provide for the set-off of losses with current investment income including capital gains from other investment assets realised via the Disbursing Agent (e.g. losses from the sale of other securities with the exception of shares). The Disbursing Agent also deducts accrued interest on the Securities, if any, or other securities paid separately upon the acquisition of the respective security via the Disbursing Agent. If, in the absence of sufficient current investment income derived through the same Disbursing Agent, a set-off is not possible, the Private Investor may – instead of having a loss carried forward into the following year – file an application with the Disbursing Agent until 15 December of the current calendar year for a certification of losses in order to set-off such losses with investment income from other sources in the Private Investor's personal income tax assessment.

To the extent the Securities have not been held in custody with or have not been administered by the same Disbursing Agent since the time of their acquisition, upon the sale, assignment or redemption withholding tax applies at a rate of 26.375% (including solidarity surcharge, plus church tax, if applicable) on 30% of the disposal proceeds, unless the current Disbursing Agent has been notified of the actual acquisition costs of the Securities by the previous Disbursing Agent or by a statement of a bank or financial services institution from another Member State of the European Union or the European Economic Area or from certain other countries in accordance with art. 17 para. 2 of the Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") (e.g. Switzerland or Andorra). In this case, a Private Investor may and if the actual capital gain increases 30% of the disposal proceeds a Private Investor generally must apply for an assessment of the realised capital gains on the basis of his or her actual acquisition costs.

In computing the withholding tax the Disbursing Agent credits foreign withholding taxes, if any, subject to certain requirements and restrictions. Taxes withheld on the basis of the EU Savings Directive (for further details see below "**EU Savings Directive**") may be credited in the course of the tax assessment procedure.

The Issuer is not obliged to levy German withholding tax in respect of payment on the Securities, unless he acts as a Disbursing Agent.

In general, no withholding tax will be levied if the Private Investor filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law filing jointly)) to the extent the income from the Securities does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no flat tax will be deducted if the Private Investor has submitted to the Disbursing Agent a valid certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

For Private Investors the withheld flat tax is, in general, definitive. However, Private Investors may request that their total investment income, will be subject to taxation at their personal, progressive tax rate rather than the flat tax rate, if this results in a lower tax liability. In order to prove such investment income and the withheld flat tax thereon the investor may request a respective certificate in officially required form from the Disbursing Agent.

Investment income not subject to the withholding of the flat tax (e.g. if the Securities are kept in custody abroad) must be included into the personal income tax return and will be subject to the flat tax rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax), unless the Private Investor requests the investment income to be subject to taxation at lower personal, progressive income tax rate. In the course of the assessment procedure withholding tax levied on the basis of the EU Savings Directive (for further details see below "**EU Savings Directive**") and foreign withholding taxes on investment income may be credited in accordance with the German Income Tax Act.

### ***Business Investors***

Ongoing payments and capital gains from the sale, assignment or redemption of the Securities held by an investor as business assets ("**Business Investors**") are subject to income tax at the applicable personal, progressive income tax rate or, in the case of corporate entities, to corporate income tax at a uniform 15% tax rate (in each case plus solidarity surcharge at a rate of 5.5% on the tax payable; and in case where the Business Investor is subject to church tax, plus church tax). Such income may also be subject to trade tax if the Securities form part of the property of a German trade or business.

Withholding tax, if any, including solidarity surcharge thereon is credited as a prepayment against the Business Investor's (corporate) income tax liability and the solidarity surcharge in the course of the tax assessment procedure, i.e. the withholding tax is not definitive. Any potential surplus will be refunded. However, in general and subject to further requirements no withholding deduction will apply on capital gains from the sale, assignment or redemption of the Securities and certain other income if (i) the Securities are held by a corporation, association or estate in terms of § 43 para. 2 sentence 3 no. 1 German Income Tax Act or (ii) the proceeds from the Securities qualify as income of a domestic business and the investor notifies this to the Disbursing Agent by use of the required official form according to § 43 para. 2 sentence 3 no. 2 German Income Tax Act (*Erklärung zur Freistellung vom Kapitalertragsteuerabzug*).

Withholding tax levied on the basis of the EU Savings Directive (for further details see below "**EU Savings Directive**") and foreign taxes may be credited against the (corporate) income tax liability in accordance with the German Income Tax Act. Foreign taxes may also be deducted from the tax base for German income tax purposes.

### ***German Investment Taxation***

German tax consequences different from those discussed above would arise if the underlying securities delivered upon physical delivery were to be regarded as investment fund units within the meaning of the German Investment Tax Act (*Investmentsteuergesetz*). In such case, the withholding tax requirements for the Disbursing Agent as well as the taxation of the investor would depend on whether the disclosure and reporting requirements of the German Investment Tax Act were fulfilled. The investor may be subject to tax on unrealised income or, in case the reporting and disclosure requirements are not fulfilled, on income deemed received on a lump-sum basis. Such income may be off-set against any capital gains realised upon disposal of the underlying securities received, respectively, subject to certain requirements.

### **Non-German Tax Residents**

Capital gains from the sale, assignment or redemption of the Securities are not subject to German taxation, unless (i) the Securities form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Security Holder; or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "**German Tax Residents**" applies.

Non-residents of Germany are, subject to certain exceptions, exempt from German withholding tax on income from the Securities and the solidarity surcharge thereon, even if the Securities are held in custody with a Disbursing Agent. However, where the investment income is subject to German taxation as set forth in the preceding paragraph and Securities are held in a custodial account with a Disbursing Agent withholding flat tax is levied as explained above under "**German Tax Residents**".

The withholding tax may be refunded based upon an applicable tax treaty or German national tax law.

### **Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Security will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Security is not attributable to a German

trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

### **Other Taxes**

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery, execution or conversion of the Securities. Currently, net assets tax is not levied in Germany.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transaction tax ("FTT") (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with the Securities.

### **German implementation of the EU Savings Directive**

The German Federal Government has implemented the information exchange on the basis of the EU Savings Directive into national legislation by means of an Interest Information Regulation (*Zinsinformationsverordnung*) in 2004. These provisions apply from 1 July 2005.

### **AUSTRIA**

*This section on taxation contains a brief overview of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Securities in Austria. This overview does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This overview is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Securities. Tax risks resulting from the Securities (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (Investmentfondsgesetz 2011)) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Securities are legally and factually offered to an indefinite number of persons.*

### **General remarks**

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a permanent domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

### ***Income taxation of the Securities***

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest; and
- income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of the Securities from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding the Securities *vis-à-vis* other countries, *e.g.*, a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Securities as non-business assets are subject to income tax on all investment income from the Securities pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the Securities with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) at a rate of 25% before 1 January 2016 and at a rate of 27.5% after 31 December 2015; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income from the Securities without an Austrian nexus, the income must be included in the investor's income tax return and is subject to income tax at the flat rates mentioned above. In both cases upon application the option exists to tax all income subject to income tax at the flat rates mentioned above at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Sec. 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest from bank accounts and other non-securitised claims *vis-à-vis* credit institutions (as of 1 January 2016, except for cash settlements and lending fees) nor against income from private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to income tax at the flat rates mentioned above may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then withholding tax on the positive income is to be credited, with such tax credit being limited to 25% of the negative income before 1 January 2016 and to 27.5% of the negative income after 31 December 2015. In certain cases, the offsetting is not permissible. The custodian agent has to issue a written confirmation on each offsetting of losses to the taxpayer.

Individuals subject to unlimited income tax liability in Austria holding the Securities as business assets are subject to income tax on all investment income from the Securities pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income from the Securities with an Austrian nexus the income is subject to withholding tax at a rate of 25% before 1 January 2016 and at a rate of 27.5% after 31 December 2015. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless income tax at the flat rates mentioned above). In case of investment income from the Securities without an Austrian nexus, the income must always be included in the investor's income tax return (generally income tax at the flat rates mentioned above). In both cases upon application the option exists to tax all income subject to income tax at the flat rates mentioned above at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to income tax at the flat rates mentioned above, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only parts of the remaining negative difference (namely 50% before 1 January 2016 and 55% after 31 December 2015) may be offset against other types of income.

Pursuant to sec. 7(2) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*), corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Securities at a rate of 25%. In the case of income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Securities with an Austrian nexus, the income is subject to withholding tax at a rate of 25% before 1 January 2016 and at a rate of 27.5% after 31 December 2015. However, the previous 25% rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act also be applied by the withholding agent after 31 December 2015, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the corporate income tax liability. Under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the alienation of the Securities can be offset against other income.

Pursuant to sec. 13(3)(1) in connection with sec. 22(2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Securities as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In case of investment income from the Securities with an Austrian nexus, the income is in general subject to withholding tax at a rate of 25% before 1 January 2016 and at a rate of 27.5% after 31 December 2015. However, the previous 25% rate may pursuant to sec. 93(1a) of the Austrian Income Tax Act also be applied by the withholding agent after 31 December 2015, if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on investment income from the Securities if they have a permanent establishment (*Betriebsstätte*) in Austria and the Securities are attributable to such permanent establishment (*cf.* sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). Individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*, see below) from the Securities if withholding tax is levied on such interest (this does not apply, *inter alia*, if the Issuers have neither their places of management nor their legal seats in Austria and are not acting through Austrian branches, which condition the Issuers understand to be fulfilled in the case at hand; *cf.* sec. 98(1)(5)(b) of the Austrian Income Tax Act).

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011 as amended in the course of the implementation of Directive 2011/61/EU, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organised in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15%; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. To date no guidance has been issued by the tax authorities on the interpretation of this new provision. In case of a qualification as a foreign investment fund the tax consequences would substantially differ from those described above.

### ***EU withholding tax***

Sec. 1 of the Austrian EU Withholding Tax Act – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU Member State (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to EU withholding tax (*EU-Quellensteuer*) of 35%. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. Pursuant to Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation, interest, dividends and similar types of income as well as account balances and sales proceeds from financial assets shall in general be automatically exchanged as of 1 January 2016 with respect to taxable periods as from that date. Although Austria only will have to apply these provisions from 1 January 2017 with respect to taxable periods as from that date, it announced that it will not make full use of the derogation and will already exchange information on new accounts opened during the period 1 October 2016 to 30 December 2016 by 30 September 2017. While it was expected that changes to the EU Withholding Tax Act – implementing Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest payments – would enter into effect by 1 January 2017, on 18 March 2015 the European Commission published a proposal for a Council Directive repealing Council Directive 2003/48/EC. Pursuant thereto, Council Directive 2003/48/EC shall in general be repealed with effect from 1 January 2016. However, pursuant to detailed grandfathering provisions, Austria shall in general continue to apply it until 31 December 2016.

Regarding the issue of whether also index certificates are subject to EU withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee, a capital guarantee being the promise of repayment of a minimum amount of the capital invested or the promise of the payment of interest. The exact tax treatment of index certificates furthermore depends on their underlying.

### ***Tax treaties Austria/Switzerland and Austria/Liechtenstein***

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality

of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25% (it is to be expected that this rate will be changed to the rates of 25% and 27.5%, as the case may be, under an adjustment mechanism as of 1 January 2016) on, inter alia, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent if the relevant holder of such assets (i.e. in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (*Sitzgesellschaft*)) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent if the relevant holder of the assets (i.e. in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income, which subsequently has to be included in the income tax return.

### ***Austrian inheritance and gift tax***

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at the flat rates mentioned above. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5%, with a higher rate of 25% applying in special cases. Special provisions apply to transfers of assets to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of management in Austria. Not all gifts are covered by it: in the case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10% of the fair market value of the assets transferred.

Further, gratuitous transfers of the Securities may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

## **LUXEMBOURG**

*The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding*

*tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.*

## **Withholding Tax**

### ***Non-resident holders of Securities***

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

### ***Resident holders of Securities***

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10%.

Responsibility for the withholding of tax in application of the above-mentioned Relibi Law, is assumed by the Luxembourg paying agent within the meaning of this law.

## **FRANCE**

*The following is an overview based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to changes in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or sale of the Securities.*

### **Withholding taxes**

*The following is an overview addressing only the French compulsory withholding tax treatment of income arising from the Securities. This overview is prepared on the assumption that none of the Issuers is or will be a French resident for French tax purposes and the Securities (or any transactions in connection with the Securities) are not and will not be (whether actually or constructively) attributed or attributable to a French branch, permanent establishment or other fixed place of business in France of an Issuer.*

All payments by any of the Issuers in respect of the Securities will be made free of any compulsory withholding or deduction for or on account of any income tax imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein.

However, subject to certain exceptions, if the Securities are treated (based on their individual terms and conditions) as debt instruments for tax purposes, interest and similar revenues paid in respect of such Securities by a paying agent located in France to individuals who are fiscally domiciled (*domiliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made, and to social levies.

### **Savings Directive**

The Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments has been implemented into French law under article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners resident in another Member State, including, the identity and address of the beneficial owner and a detailed list of different categories of interest paid to the beneficial owner.

### **Transfer tax and other taxes**

The following may be relevant in connection with Securities which may be settled, redeemed or repaid by way of physical delivery of certain French listed shares (or certain assimilated securities).

Pursuant to Article 235 *ter* ZD of the French Code général des impôts, a financial transaction tax (the "**Financial Transaction Tax**") is applicable to any acquisition for consideration, resulting in a transfer of ownership, of an equity security (*titre de capital*) as defined by Article L.212-1 A of the French *Code monétaire et financier*, or of an assimilated equity security, as defined by Article L.211-41 of the French *Code monétaire et financier*, admitted to trading on a recognised stock exchange when the said security is issued by a French company whose registered office is situated in France and whose market capitalisation exceeds 1 billion Euros on 1 December of the year preceding the year in which the acquisition occurs. There are a number of exemptions from the Financial Transaction Tax. Prospective investors should revert to their counsel to identify whether they can benefit from them. The rate of the Financial Transaction Tax is 0.2% of the acquisition value of the securities.

If the Financial Transaction Tax applies to an acquisition of shares, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1% to the sale of shares issued by a company whose registered office is situated in France, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement.

### **BELGIUM**

*Set out below is an overview of certain Belgian tax consequences of acquiring, holding and selling the Securities. This overview is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisors regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive. This overview does not describe the tax consequences for a holder of Securities that are redeemable in exchange for shares, of the redemption of such Securities and/or any tax consequences after the moment of redemption. This overview is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this document and remains subject to any future amendments, which may or may not have retroactive effect.*

If the redemption or repayment by the Issuer is in full or in part settled by means of a delivery of securities or other assets, interest includes any positive difference between the market value of those assets on the date of their payment or attribution and the initial issue price of the Securities. In the event interest is paid in the form of delivery of securities, the market value of those securities will be deemed at least equal to their value (prior to the date of the payment or attribution) as determined in the most recent publication by the Belgian Government of the value of securities listed on a Belgian stock exchange (such publication is issued monthly, on the 20th of each month) or on a similar foreign stock exchange.

For Belgian tax purposes, if interest is in a foreign currency, it is converted into euro on the date of payment or attribution.

On 25 January 2013, the Belgian tax authorities issued a circular letter on the Belgian tax treatment of income from structured securities characterised by an uncertain return on investment due to the variation of the coupons or the repayment terms at maturity, such as securities whose return is linked to the evolution of underlying products. According to the circular letter, the transfer of structured securities to a third party (other than the issuer) results in taxation as interest income of the "pro rata interest", calculated on an unclear formulae. In addition, any amount paid in excess of the initial issue price upon redemption or repayment of the structured securities is considered as interest for Belgian tax purposes. It is highly debatable whether the circular letter is in line with Belgian tax legislation. Furthermore, it is unclear whether the Belgian tax authorities will seek to apply the principles set out in the circular letter to the Securities.

It is assumed that any gains realised upon redemption or repayment by the Issuer will indeed be viewed as interest by the Belgian tax authorities (and any such gains are therefore referred to as "interest" for the purposes of the following paragraphs), but that the effective taxation of the "pro rata interest" in case of a sale to a third party (i.e. other than the Issuer) would not be possible, on the basis that it is currently impossible to determine the amount of the "pro rata interest".

## **Withholding tax**

### ***Repayment or redemption by the Issuer***

#### *Belgian resident investors*

Payments of interest (as defined by Belgian tax laws) on the Securities made through a financial institution or other intermediary established in Belgium will in principle be subject to a 25% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes).

Belgian resident companies subject to Belgian corporate income tax (*Vennootschapsbelasting / Impôt des sociétés*) can benefit from a withholding tax exemption provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption will only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992.

If interest is paid outside Belgium without the intervention of a financial institution or other intermediary established in Belgium, no Belgian withholding tax will be due, except in the case of Securities held by Belgian resident legal entities subject to Belgian tax on legal entities (*Rechtspersonenbelasting / impôt des personnes morales*), which will be required to declare and pay the 25% withholding tax to the Belgian tax authorities themselves.

#### *Non-resident investors*

Payments of interest on the Securities made through a financial institution or other intermediary established in Belgium will in principle be subject to a 25% withholding tax in Belgium, unless a reduced

rate or an exemption applies on the basis that the holder of the Securities is resident of a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit.

Non-resident corporate investors who have allocated the Securities to the exercise of a professional activity in Belgium through a Belgian establishment can benefit from a withholding tax exemption provided that certain formalities are complied with.

Non-resident investors who have not allocated the Securities to a Belgian establishment can also obtain an exemption from Belgian withholding tax on interest from the Securities if certain conditions are met.

If the income is not collected through a financial institution or other intermediary in Belgium, no Belgian withholding tax will be due.

### ***Sale to a third party***

No withholding tax should apply to the sale of the Securities

### **Income tax**

#### ***Repayment or redemption by the issuer***

##### *Belgian resident individuals*

Individuals who are Belgian residents for tax purposes, i.e. individuals who are subject to Belgian personal income tax (*Personenbelasting / Impôt des personnes physiques*) and who hold the Securities as a private investment, do not have to declare interest in respect of the Securities in their personal income tax return, provided that Belgian withholding tax has effectively been levied on the interest. In this case, the Belgian withholding tax constitutes the final tax for Belgian resident individuals.

Nevertheless, Belgian resident individuals may choose to declare interest in respect of the Securities in their personal income tax return. Also, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 25% (or at the relevant progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower). The Belgian withholding tax levied may be credited against the income tax liability.

Other rules may be applicable in special situations, in particular when Belgian resident individuals acquire the Securities for professional purposes or when their transactions with respect to the Securities fall outside the scope of the normal management of their own private estate.

##### *Belgian resident corporate investors*

Interest attributed or paid to companies that are Belgian residents for tax purposes, i.e. companies that are subject to Belgian corporate income tax (*Vennootschapsbelasting / Impôt des sociétés*), are taxable at the ordinary corporate income tax rate of in principle 33.99% (but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations).

The Belgian withholding tax levied may be credited against the income tax liability. Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of Article 185*bis* of the Belgian Income Tax Code 1992.

### *Belgian legal entities*

Legal entities that are Belgian residents for tax purposes, i.e. legal entities that are subject to the Belgian legal entities tax (*Rechtspersonenbelasting / Impôt des personnes morales*), will be required to declare and pay the 25% withholding tax to the Belgian tax authorities themselves if the interest is paid outside Belgium without the intervention of a financial institution or other intermediary established in Belgium and no Belgian withholding tax has been withheld. The withholding tax constitutes the final taxation.

### *Non-resident individual or corporate investors*

Investors that are non-residents of Belgium for Belgian tax purposes are in principle not subject to Belgian income tax on interest payments on the Securities, unless the Securities are held as part of a business conducted in Belgium through a Belgian establishment. In such case, the same principles apply as described with regard to Belgian resident individual investors (holding the Securities for professional purposes) or Belgian resident corporate investors (see above). Non-resident individuals who do not use the Securities for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax interest on the Securities to Belgium, will be subject to tax in Belgium if the interest is obtained or received in Belgium.

### ***Sale to a third party***

#### *Belgian resident individual investors*

Individuals who are Belgian residents for tax purposes, i.e. individuals who are subject to Belgian personal income tax (*Personenbelasting / Impôt des personnes physiques*) are currently not liable to Belgian income tax on the capital gains (if any) realised upon disposal of the Securities to a third party, provided that the Securities have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of the Securities held as a non-professional investment are in principle not tax deductible.

However, Belgian resident individuals may be subject to a 33% Belgian income tax (plus local surcharges) on the capital gains on the Securities if the gains are deemed to be speculative or outside the scope of the normal management of the individuals' private estate. Capital losses arising from such transactions are not tax deductible.

Capital gains realised upon transfer of Securities held for professional purposes are taxable at the ordinary progressive income tax rates (plus local surcharges), except for Securities held for more than five years, which are taxable at a separate rate of 16.5% (plus local surcharges). Capital losses on the Securities incurred by Belgian resident individuals holding the Securities for professional purposes are in principle tax deductible.

#### *Belgian resident corporate investors*

Companies that are Belgian residents for tax purposes, i.e. companies that are subject to Belgian corporate income tax (*Vennootschapsbelasting / Impôt des sociétés*), are liable to Belgian corporate income tax on the capital gains (if any) realised upon disposal of the Securities to a third party, irrespective of whether such Securities relate to shares or other assets or indices. The current standard corporate income tax rate in Belgium is 33.99%.

Capital losses realised upon disposal of the Securities are in principle tax deductible.

### *Belgian legal entities*

Legal entities that are Belgian residents for tax purposes, i.e. legal entities that are subject to the Belgian legal entities tax (*Rechtspersonenbelasting / Impôt des personnes morales*), are currently not liable to Belgian income tax on capital gains (if any) realised upon disposal of the Securities to a third party.

Capital losses realised upon disposal of the Securities are in principle not tax deductible.

#### *Non-resident individual or corporate investors*

Investors that are non-residents of Belgium for Belgian tax purposes are in principle not subject to Belgian income tax on capital gains realised on the Securities, unless the Securities are held as part of a business conducted in Belgium through a Belgian establishment. In such case, the same principles apply as described with regard to Belgian resident individual investors (holding the Securities for professional purposes) or Belgian resident corporate investors (see above).

Non-resident individuals who do not use the Securities for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Securities to Belgium, will be subject to tax in Belgium if the capital gains are deemed to be realised outside the scope of the normal management of the individual's private estate and the capital gain is obtained or received in Belgium. Capital losses are generally not deductible.

#### **Tax on stock exchange transactions**

The acquisition of the Securities upon their issuance is not subject to the tax on stock exchange transactions (*Taxe sur les opérations de bourse / Taks op de beursverrichtingen*). However, the sale and acquisition of the Securities on the secondary market will be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.09% for transactions in debt instruments and at a rate of 0.27% for transactions in other securities. This is applied separately on each sale and each acquisition, up to a maximum of EUR 650.00 per taxable transaction for debt instruments and EUR 800.00 per taxable transaction for other securities and is collected by the professional intermediary. Exemptions apply for certain categories of institutional investors and non-residents.

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (the "FTT"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

#### **IRELAND**

*The following is an overview based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of the Securities. Particular rules not discussed below may apply to certain classes of taxpayers holding Securities, including dealers in securities and trusts. The overview does not constitute tax or legal advice and the comments below are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Securities. Prospective investors in the Securities should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Securities and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.*

## **Withholding Tax**

Under general Irish tax law the Issuer will not be obliged to withhold tax from payments of principal. Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Securities so long as such payments do not constitute Irish source income. Interest paid on the Securities may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which are used to fund the payments on the Securities; or
- (c) the Issuer is not resident in Ireland for tax purposes but the register for the Securities is maintained in Ireland or (if the Securities are in bearer form) the Securities are physically held in Ireland.

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer does not and will not have a branch or permanent establishment in Ireland; and (iii) bearer Securities will not be physically located in Ireland and the Issuer will not maintain a register of any registered Securities in Ireland.

## **Encashment Tax**

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) on any interest, dividends or annual payments payable out of or in respect of the stocks, funds, shares or securities of a company not resident in Ireland, where such interest, dividends or annual payments are collected or realised by a bank or encashment agent in Ireland for payment to any person who is Irish resident.

Encashment tax will not apply where the holder of the Securities is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

## **Taxation of Receipts**

Notwithstanding that a Noteholder may receive payments of interest, premium or discount on the Securities free of Irish withholding tax, the Noteholder may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such interest if (i) such interest has an Irish source, (ii) the Noteholder is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there may also be a social insurance (PRSI) liability for an individual in receipt of interest on the Securities), or (iii) the Securities are attributed to a branch or agency of the Noteholder in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish income tax may be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

## **Capital Gains Tax**

A Noteholder will be subject to Irish tax on capital gains realised on a disposal of Securities unless such holder is neither resident nor ordinarily resident in Ireland and the Securities were not used in or for the purposes of a trade carried on by the Noteholder in Ireland through a branch or agency and were not used or held or acquired for the purposes of such a branch or agency.

## **Capital Acquisitions Tax**

A gift or inheritance comprising of Securities will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs is currently levied at 33 per cent.) if either (i) the

disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Securities are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual (i) has been resident in Ireland for the five consecutive tax years immediately preceding the tax year in which the gift or inheritance is taken, and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer Securities are generally regarded as situated where they are physically located at any particular time. Securities in registered form are regarded as property situate in Ireland if the register of the Securities is in Ireland. The Securities may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if Irish situate Securities are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

### **Stamp Duty On Transfer Of Securities**

As the Issuer is not registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Securities so long as the instrument of transfer of the Securities does not relate to:

- (a) any immovable property situated in Ireland or any right over or interest in such property; or
- (b) any stocks or marketable Securities of a company which is registered in Ireland (other than a company which is (a) an investment undertaking within the meaning of section 739B of the Taxes Consolidation Act, 1997 ("TCA") or (b) a qualifying company within the meaning of section 110 of the TCA).

### **European Union Directive On Taxation Of Savings Income**

Ireland has implemented the EC Council Directive 2003/48/EC (the "**Savings Directive**") on the taxation of savings income into national law. Accordingly, any Irish paying agent making an interest payment on behalf of the Issuer to an individual or certain residual entities resident in another Member State of the European Union or certain associated and dependent territories of a Member State will have to provide details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address) to the Irish Revenue Commissioners who in turn are obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

Prospective holders of Securities should note that an amended version of the Savings Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Savings Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and which will apply from 1 January 2017, will extend the scope of the Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

### **UNITED KINGDOM**

The following applies only to persons who are the beneficial owners of Securities and is an overview of the Issuers' understanding of current United Kingdom law and published HM Revenue and Customs (**HMRC**) practice relating only to the United Kingdom withholding tax treatment of certain payments in respect of Securities and the charge to United Kingdom stamp duty and stamp duty reserve tax in respect of the issue, transfer or redemption of the Securities. It does not deal with any other United Kingdom taxation implications of acquiring, holding, redeeming or disposing of Securities. The United Kingdom tax treatment of prospective Security Holders depends on their individual circumstances and may be subject to change in the future. Prospective Security Holders who may be

subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

### **Payments of interest on the Securities**

For these purposes, interest means amounts which are treated as interest for United Kingdom tax purposes, which may include any Additional Amount or excess of the Settlement Amount or Redemption Amount over the amount for which any Securities were issued or their nominal value.

Payments of interest on the Securities by an Issuer may be made without deduction of or withholding on account of United Kingdom income tax if they do not have a United Kingdom source.

An Issuer, provided that it is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the **Act**), and provided that the interest on the Securities is paid in the ordinary course of its business within the meaning of section 878 of the Act, will be entitled to make payments of interest which have a United Kingdom source without withholding or deduction for or on account of United Kingdom income tax.

Payments by an Issuer of interest on the Securities which have a United Kingdom source may also be made without deduction of or withholding on account of United Kingdom income tax provided that the Securities are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Act. Securities will be treated as listed on a "recognised stock exchange" if they are admitted to trading on such an exchange and they are either included in the UK official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000 in accordance with the provisions of that Part) or are officially listed in another country which has a recognised stock exchange in accordance with provisions corresponding to those generally applicable in EEA states.

Interest on the Securities which have a United Kingdom source may also be paid by an Issuer without withholding or deduction on account of United Kingdom income tax where, at the time the payment is made, the relevant Issuer reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Securities which have a United Kingdom source may also be paid by an Issuer without withholding or deduction on account of United Kingdom income tax where the maturity of the Securities is less than 365 days and those Securities do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest which have a United Kingdom source on the Securities on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Security Holder, HMRC can issue a notice to the relevant Issuer to pay interest to the Security Holder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

### **Other payments on the Securities**

"Qualifying annual payments" may be made by an Issuer without withholding or deduction on account of United Kingdom tax where, at the time the payment is made, the relevant Issuer reasonably believes (and any person by or through whom the payment on the Securities is made reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment at the time the payment is made) that the payment should be paid under deduction of tax.

Annual payments which do not arise in the United Kingdom cannot be "qualifying annual payments", and so may be made by an Issuer without deduction of or withholding on account of United Kingdom income tax.

In other cases, an amount must generally be withheld from payments by an Issuer of "qualifying annual payments" on the Securities on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Security Holder, HMRC can issue a notice to the relevant Issuer to make the payments to the Security Holder without deduction of tax (or for payment to be made with tax deducted at the rate provided for in the relevant double tax treaty).

Certain manufactured payments may also be paid by an Issuer subject to a deduction or withholding for income tax at the basic rate (currently 20%) if the payments are made in the course of a trade which it carries on through a branch, agency or permanent establishment in the United Kingdom.

## **Reporting**

HMRC has powers to obtain information and documents relating to the Securities, including in relation to issues of and other transactions in the Securities, interest, payments treated as interest and other payments derived from the Securities. This may include details of the beneficial owners of the Securities, of the persons for whom the Securities are held and of the persons to whom payments derived from the Securities are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Securities, persons who make, receive or are entitled to receive payments derived from the Securities and persons by or through whom interest and payments treated as interest are paid or credited. Information obtained by HMRC may be provided to tax authorities in other jurisdictions.

## **Stamp duty and stamp duty reserve tax**

Stamp duty or stamp duty reserve tax may be chargeable in respect of issue, transfer or agreement to transfer the Securities, or on any physical redemption or settlement of the Securities. This will depend on the form and terms and conditions of the Securities and of any assets to be delivered on physical settlement.

## **CZECH REPUBLIC**

*The information set out below is of a general nature and relates only to certain principal Czech withholding tax considerations. Accordingly, it does not deal with any other Czech tax consequences of acquiring, holding or disposing of Securities, which may be relevant to a decision to purchase Securities, and is not intended to be, nor should it be regarded as, legal or tax advice. Prospective holders of Securities should seek, in the light of their individual situation, their own professional advice as to the consequences of acquiring, holding or disposing of Securities in all relevant jurisdictions. The information is based on the tax laws of the Czech Republic as in effect on the date of this Base Prospectus and their prevailing interpretations available on or before such date. All of the foregoing is subject to change, which could apply retroactively and could affect the continued validity of this overview.*

*For the purposes of this information, it has been assumed that neither any of the Issuers nor the Guarantor is either resident for tax purposes or has a permanent establishment in the Czech Republic.*

## **Withholding tax**

All interest and other payments to be made by an Issuer under the Securities may be made free of withholding on account of any taxes imposed by the Czech Republic.

## **Securing tax**

In general, Czech tax residents (or Czech permanent establishments of Czech tax non-residents) acquiring the Securities are required, under their own responsibility, to withhold and to remit to Czech tax authorities a 1% securing tax from the purchase price when purchasing investment instruments, such as the Securities, from a seller who is resident for tax purposes outside the European Union or the European Economic Area. Such obligation can be eliminated under a tax treaty concluded between the Czech Republic and the country in which the seller is a tax resident. Furthermore, it can be waived in advance based on a decision of Czech tax authorities.

## **POLAND**

### **General Information**

*The following is a discussion of certain Polish tax considerations relevant to an investor residing in Poland or which is otherwise subject to Polish taxation. This statement should not be considered tax advice. It is based on Polish tax laws and, as its interpretation refers to the position as at the date of this Base Prospectus, it may thus be subject to change, including a change with retroactive effect. Any change may negatively affect the tax treatment described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their individual circumstances. Prospective purchasers of Securities are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of Securities.*

*The reference to "interest", as well as to any other terms in the paragraphs below, means "interest" or any other term, respectively, as understood in Polish tax law.*

### **Taxation of a Polish tax resident individual**

#### ***Withholding Tax on Interest Income***

According to Art. 30a of the Personal Income Tax Act dated 26 July 1991, as amended (the "**PIT Act**"), interest income, including discounts, derived by a Polish tax resident individual (a person who has his/her centre of personal or business interests located in Poland or who stays in Poland for longer than 183 days in a year, unless otherwise resulting from the respective tax treaty) does not cumulate with general income subject to the progressive tax rate but is subject to a 19% flat rate tax.

Withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not greater than 19% tax on the interest amount, could be deducted from the Polish tax liability. Particular double tax treaties can provide other methods of withholding tax settlement.

Under Art. 41.4 of the PIT Act, the interest payer, other than an individual not acting within the scope of his/her business activity, should withhold the 19% Polish tax on any interest payment. In practice, the obligation to withhold tax applies only to Polish interest payers and not to foreign payers. Under Art. 41.4d of the PIT Act, tax on interest or a discount on securities is withheld by entities keeping securities accounts for taxpayers, in their capacity as tax remitters, if the income (revenue) is earned in the territory of Poland and is associated with the securities registered in these accounts, and, furthermore, if relevant payments are made to the taxpayers through those entities. However, given that the interest on Securities may be classified as not earned in Poland and the term "person making the interest payment" is not precisely defined in the law, under some interpretations issued by the Polish tax authorities, Polish banks or Polish brokerage houses maintaining securities accounts may refuse to withhold the tax. According to Art. 45.3b of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself by 30 April of the following year.

Additionally, under Art. 30a.2a of the PIT Act, with respect to income (revenue) from interest transferred to taxpayers holding rights attached to securities (including Securities) registered in Polish omnibus accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19% flat-rate tax is withheld by the tax remitter from the aggregate

income (revenue) released for the benefit of all such taxpayers through the omnibus account holder. The tax is withheld on the date when an interest or discount payment is released to the omnibus account

Under Art. 45.3c of the PIT Act, taxpayers are obliged to disclose the amount of interest (discount) on securities (including Securities) in the annual tax return if Securities were registered in a Polish omnibus account and the taxpayer's identity was not revealed to the tax remitter.

If interest is paid by a foreign entity, according to practice the entity would not be obliged to withhold Polish income tax and the tax should be settled by the individual. Potentially the foreign entity could make withholdings pursuant to the laws of other jurisdictions. Withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties in particular can provide other methods of withholding tax settlements avoiding double taxation.

If an individual holds the Securities as a business asset, in principle, interest should not be subject to withholding tax but taxed in the same way as other business income. The tax, at the 19% flat rate, or the 18% to 32% progressive tax rate, depending on the choice and the meeting of certain conditions by the individual, should be settled by the individual himself/herself.

### ***Income from Capital Investments***

Income other than interest derived by a Polish tax resident individual from financial instruments, such as the Securities, which are held as non-business assets, qualify as capital income according to Art. 17 of the PIT Act. Such income does not cumulate with the general income subject to the progressive tax scale but is subject to a 19% flat rate tax. The costs of acquiring the financial instruments are recognised at the time the revenue from their disposal is achieved. Additionally, no tax is withheld by a tax remitter, but the tax should be settled by the taxpayer by 30 April of the following year.

If an individual holds the Securities as a business asset, in principle, the income should be taxed in the same way as other business income. The tax, at the 19% flat rate, or the 18% to 32% progressive tax rate depending on the choice and meeting of certain conditions by the individual, should be settled by the individual himself/herself.

### **Taxation of a Polish tax resident corporate income taxpayer**

A Polish tax resident corporate income taxpayer, i.e. a corporate income taxpayer having its registered office or place of management in Poland, will be subject to 19% income tax in respect of the Securities (both on any capital gain and on interest/discount) following the same principles as those which apply to any other income received from business activity. As a rule, for Polish income tax purposes, interest is recognised as revenue on a cash basis, i.e. when it is received and not when it has accrued. In respect of capital gains, the cost of acquiring the Securities will be recognised at the time the revenue is achieved.

### **Securities held by a non-Polish tax resident (natural person or corporation)**

Non-Polish tax residents are (subject to any relevant double tax treaty):

- natural persons if they do not have their place of residence in the territory of the Republic of Poland (Art. 3.2a of the PIT Act);
- corporate income taxpayers if they do not have their registered office or place of management in Poland (Art. 3.2 of the Polish Corporate Income Tax Act dated 15 February 1992, as amended - the CIT Act).

Non-Polish residents are subject to Polish income tax only regarding their income earned in Poland. If the Securities are issued by a foreign entity, in principle, the interest should not be considered as hav-

ing been earned in Poland. Capital gains should also not be considered as arising in Poland unless the Securities are sold at a stock exchange in Poland (the Warsaw Stock Exchange). If the latter is the case, however, most tax treaties concluded by Poland provide a Polish tax exemption with respect to capital gains derived from Poland by a foreign tax resident. To benefit from a tax treaty, a foreign investor should present the relevant certificate of its tax residency.

If a foreign recipient of income acts through a permanent establishment in Poland, as a matter of principle it should be treated in the same manner as a Polish tax resident.

### **Remitter's liability**

Under Art. 30.1 of the Tax Ordinance dated 29 August 1997, as amended, a remitter which has not carried out its obligation to calculate and withhold due tax from a taxpayer, and to transfer the appropriate amount of tax to a relevant tax office, is liable for tax not withheld or tax withheld but not transferred to a relevant tax office. The remitter is liable for those obligations with all of its assets. The provisions concerning the remitter's liability do not apply only if separate provisions provide otherwise or if the tax has not been withheld due to the taxpayer's fault.

## **SLOVAKIA**

*The information set out below is a description of certain material Slovak tax consequences of the acquisition, holding, sale, assignment and redemption of the Securities and it does not purport to be a complete analysis of all Slovak tax considerations relating to the Securities that may be relevant to a decision to purchase the Securities. This overview does not take into account or discuss the tax laws of any country other than the Slovak Republic nor does it take into account the individual circumstances, financial situation or investment objectives of an investor in the Securities.*

This overview is based on the tax laws of the Slovak Republic as in effect on the date of this Base Prospectus and their prevailing interpretations available on or before such date. All of the foregoing is subject to change, which could apply retroactively and could affect the continued validity of this overview. With regard to certain types of securities neither official statements of the tax authorities nor court decisions exist and it is not clear how these securities will be treated.

As this is a general overview, holders of the Securities should consult their own tax advisors as to the consequences under the tax laws of the country in which they are resident for tax purposes and the tax laws of the Slovak Republic concerning the acquisition, holding, sale, assignment and redemption of the Securities and receiving payments of interest, principal and/or other payments under the Securities, including, in particular, the application to their own situation of the tax considerations discussed below as well as the application of state, local, foreign or other tax laws.

Individuals and legal entities who are tax residents in the Slovak Republic are subject to income taxation (personal income tax or corporate income tax) on their worldwide income, regardless of its source, including interests and other income from holding of the Securities, redemption of Securities and capital gains from the sale of the Securities. "Income" shall mean income both in cash and in kind (even if obtained through an exchange), which has been attributed to the value, which is usual in the place and the time of performance or consumption, taking into account its type and quality, and, where appropriate, its condition and grade of depreciation, unless otherwise provided by applicable legislation.

Taxable income from the Securities derived by individuals is taxed at a tax rate of 19% for that part of the annual tax base up to the amount of 176.8 times subsistence income and 25% for that part of the annual tax base which exceeds this amount. Income from the sale of the Securities derived by individuals decreased by expenses may be exempt from income tax up to the amount of 500 EUR in one tax period. Taxable income from the Securities derived by individuals may be subject to obligatory health insurance contributions due in Slovakia. It should be noted that the above information on tax rate and exemption(s) applies for the tax period of the year 2014 and may be changed in the following tax periods.

Interests and other income from holding of the Securities and income received upon redemption of Securities representing income sourced outside the Slovak Republic received by the individuals who are tax residents in the Slovak Republic are taxable, the tax base could generally be reduced by mandatory health and social security insurance contributions payable from this income. Capital gain from the sale of the Securities derived by individuals who are tax residents in the Slovak Republic is taxable, the acquisition price of the Securities and related expenses including mandatory health and social security insurance contributions payable from this income are tax deductible. In general, any loss from sale of the Securities is not recognised for tax purposes.

Taxable income from the Securities derived by legal entities is taxed at a tax rate of 22% in the tax period of the year 2014. Legal entities who are tax residents in the Slovak Republic which hold the Securities as their business assets pay corporate income tax from interest and other income from holding of the Securities and capital gain from the sale / redemption of the Securities sourced outside the Slovak Republic within their general tax base (determined in accordance with the accounting regulations). Loss from the sale of the Securities may not be recognised for tax purposes provided the taxpayer reported an overall loss from the sale of all securities sold in the respective tax period (exceptions apply). Income received by pension funds from the Securities is generally not subject to Slovak corporate income tax paid by the pension funds.

If the income arising from the Securities is paid by a foreign entity, the foreign entity could make withholdings pursuant to the laws of other jurisdictions. According to the provisions of the Double Tax Treaties concluded between the Slovak Republic and Germany as well as between the Slovak Republic and Luxembourg, no withholding tax should be applied on the interest income and income from redemption of the Securities sourced from Germany or Luxembourg with respect to the Securities. The owner of the income may be asked to prove that he is entitled to benefit from the provisions of the respective Double Tax Treaty. Income from the Securities may potentially be qualified as having its source in the Slovak Republic if the Securities are kept in a securities account maintained by a financial agent who distributes the Securities on behalf of issuer. In such case, the financial agent could be potentially qualified as the payer of withholding tax in the Slovak Republic at the withholding tax rate of 19%.

## ITALY

*The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in security or commodities) may be subject to special rules.*

*Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Securities. The Issuer will not update this overview to reflect changes in laws and if such a change occurs the information in this overview could become invalid.*

*As clarified by the Italian tax authorities in resolution No. 72/E of 12 July 2010, the Italian tax consequences of the purchase, ownership and disposal of the Securities may be different depending on whether:*

- (a) they represent a securitised debt claim, implying a static "use of capital" (impiego di capitale), through which the subscriber of the Securities transfers to the Issuer a certain amount of capital for the purpose of obtaining a remuneration on the same capital and subject to the right to obtain its (partial or entire) reimbursement at maturity; or*
- (b) they represent a securitised derivative financial instrument or bundle of derivative financial instruments not entailing a "use of capital", through which the subscriber of the Secu-*

*rities invests indirectly in underlying financial instruments for the purpose of obtaining a profit deriving from the negotiation of such underlying financial instruments.*

### **Tax treatment of Securities issued by a non-Italian resident issuer**

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by non-Italian resident issuers and which embed the unconditional obligation of the issuer to fully repay the principal invested upon redemption (the **Notes**).

### **Italian resident Noteholders**

Where the Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the relevant Notes are connected; (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation (unless the Noteholder under (a), (b), or (c) above has opted for the application of the "*risparmio gestito*" regime — see under "Capital gains tax" below), interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a substitute tax, referred to as *imposta sostitutiva*, levied at the rate of 26%. In the event that Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Holder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), and Article 9 of Legislative Decree No. 44 of 4 March 2014, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and article 14-bis of Law No. 86 of 25 January 1994 or to Italian real estate SICAFs (the **Real Estate SICAFs**) are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund or the Real Estate SICAF, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital) or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26% will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20% substitute tax (with certain

adjustments for the fiscal year 2014 as provided by Law No. 190 of 23 December 2014 (the **Italian Finance Act 2015**)).

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a Decree of the Ministry of Economy and Finance (each an **Intermediary**).

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

### **Non-Italian resident Noteholders**

For Notes issued by a non-Italian resident issuer, no Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

### **Atypical securities**

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26%. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value.

If the Notes are issued by a non-Italian resident issuer, the withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities); (b) a commercial partnership; or (c) a commercial private or public institution.

### **Capital gains tax**

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26%. Noteholders may set off losses with gains.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumu-

lative basis, on all capital gains, net of any incurred capital loss, realised by the investor pursuant to all sales or redemptions of the Notes carried out during any given tax year. The Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Law Decree No. 66 of 24 April 2014, as converted into law with amendments by Law No. 89 of 23 June 2014 (**Decree 66**), capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08% of the relevant capital losses realised before 1 January 2012; (ii) 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the relevant Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries); and (b) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in its annual tax return. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08% of the relevant capital losses realised before 1 January 2012; (ii) 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by Italian resident Noteholders under (i) to (iii) above, who have entrusted the management of their financial assets, including Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26% substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return. Pursuant to Decree 66, decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08% of the relevant decreases in value registered before 1 January 2012; (ii) 76.92% of the decreases in value registered from 1 January 2012 to 30 June 2014.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351, as subsequently amended, apply or a Real Estate SICAF will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund or the Real Estate SICAF.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the

result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20% substitute tax (with certain adjustments for the fiscal year 2014 as provided by the Italian Finance Act 2015).

Capital gains realised by non-Italian resident holder of Notes from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

#### **Tax treatment of derivative financial instruments issued by a non-Italian resident issuer**

Based on the principles stated by the Italian tax authorities in resolution No. 72/E of 12 July 2010, payments in respect of Notes qualifying as securitised derivative financial instruments not entailing a "use of capital" as well as capital gains realised through the sale of the same Notes would be subject to Italian taxation according to the same rules described above applicable on capital gains realised through the sale or transfer of the Notes.

Payments in respect of notes qualifying as securitised derivative financial instruments received by investors resident in Italy for tax purposes (not engaged in entrepreneurial activities to which the Notes are connected) as well as capital gains realised by such Italian investors on any sale or transfer for consideration of the Notes qualifying as securitised derivative financial instruments or redemption thereof are subject to a 26% capital gain tax, which applies under the tax declaration regime, the *risparmio amministrato* tax regime or the *risparmio gestito* tax regime according to the same rules described above under the section "Capital gains tax" above.

Payments in respect of Notes qualifying as securitised derivative financial instruments received by investors resident in Italy for tax purposes which carry out commercial activities are not subject to the 26% capital gain tax, but the proceeds are included in their taxable income and subject to taxation in accordance with the ordinary rules.

Any capital gains realised by a holder of Notes qualifying as securitised derivative financial instruments who is a Fund will be included in the result of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but distributions made in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

Under the current regime provided by Decree 351 and Article 9 of Legislative Decree No. 44 of 4 March 2014, payments of proceeds in respect of the Notes qualifying as securitised derivative financial instruments made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 or Real Estate SICAFs are, if some conditions are met, subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund or the Real Estate SICAF.

Any capital gains realised by a holder of Notes qualifying as securitised derivative financial instruments who is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20% substitute tax (with certain adjustments for the fiscal year 2014 as provided by the Italian Finance Act 2015).

Capital gains realised by non-Italian resident holders from the sale or redemption of Notes qualifying as securitised derivative financial instruments are not subject to Italian taxation, provided that the Notes are held outside Italy or traded on a regulated market.

#### **EU SAVINGS DIRECTIVE**

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the Savings Directive), EU Member States are required to provide to the tax authorities of other EU Member States details of certain payments of interest or similar income paid or secured by a

person established in an EU Member State to or for the benefit of an individual resident in another EU Member State or certain limited types of entities established in another EU Member State.

For a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the Amending Directive) amending and broadening the scope of the requirements described above. The Amending Directive requires EU Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The new regime under Council Directive 2011/16/EU (as amended) is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. Council Directive 2011/16/EU (as amended) is generally broader in scope than the Savings Directive, although it does not impose withholding taxes. The proposal also provides that, if it proceeds, EU Member States will not be required to apply the new requirements of the Amending Directive.

## **THE PROPOSED FINANCIAL TRANSACTIONS TAX**

On 14 February 2013 the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

A joint statement issued in May 2014 by ten of the eleven Participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Securities.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

## U.S. WITHHOLDING TAX

### *Foreign Account Tax Compliance Act*

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuers and Guarantor are classified as FFIs.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which (A) with respect to Securities that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register [and (B) with respect to Securities that give rise to a dividend equivalent pursuant to section 871(m) of the U.S. Internal Revenue Code of 1986 is the date that is six months after the date on which obligations of their type are first treated as giving rise to dividend equivalents, or which are materially modified after the grandfathering date and (ii) any Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued on or before the grandfathering date and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Germany, Italy and Luxembourg have entered into agreements (the "**Relevant IGAs**") based largely on the Model 1 IGA.

If the Issuers and Guarantor are treated as Reporting FIs pursuant to the Relevant IGAs they do not anticipate that they will be obliged to deduct any FATCA Withholding on payments they make. There can be no assurance, however, that the Issuers and Guarantor will be treated as Reporting FIs, or that it would in the future not be required to deduct FATCA Withholding from payments they make. Accordingly, the Issuers, Guarantor and financial institutions through which payments on the Securities are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Securities is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

Whilst the Securities are in global form and held within the ICSDs, CBF or Euroclear France, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Securities by the Issuers, the Guarantor, any paying agent and the common depositary, given that each

of the entities in the payment chain between the Issuers and the participants in the ICSDs, CBF or Euroclear France is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Securities.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuers and to payments they may receive in connection with the Securities.**

### ***Hiring Incentives to Restore Employment Act***

The U.S. Hiring Incentives to Restore Employment Act introduced Section 871(m) of the U.S. Internal Revenue Code of 1986 which treats a "dividend equivalent" payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the IRS. A "dividend equivalent" payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). Proposed U.S. Treasury regulations expand the scope of withholding under Section 871(m) beginning 1 January 2016.

While significant aspects of the application of Section 871(m) to the Securities are uncertain, if the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Securities.

## GENERAL INFORMATION

### SELLING RESTRICTIONS

#### *General*

No action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required other than the approval of the Base Prospectus by the CSSF and a notification to the countries set forth in the Final Terms under "Terms and conditions of the offer". No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the relevant Issuer other than the approval and notification(s) mentioned above.

#### *United States of America*

- (a) The Securities have not been and will not be registered under the Securities Act, and, except as provided in the applicable Final Terms with respect to Securities with a maturity on the issue date of one year or less, may not be offered or sold within the United States or to, or for the account or benefit of, U. S. persons except in accordance with Regulation S under the Securities Act or pursuant to another exemption from, or in a transaction otherwise not subject to, the registration requirements of the Securities Act.
- (b) Any person purchasing Securities is deemed to agree with the Issuer and, if different, the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person, (ii) it is not purchasing any Securities for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales or deliveries of any Securities (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

Terms used above have the meanings given to them by *Regulation S*.

- (c) Securities, other than (i) Securities with a maturity of one year or less (including unilateral rollovers or extensions) and (ii) Securities that are issued in registered form in accordance with the provisions of Section 5f.103-1(c) of the United States Treasury Regulations and United States Internal Revenue Service Notice 2012-20, will be issued in accordance with the provisions of Section 4701(b)(1)(B) of the U.S. Internal Revenue Code of 1986 and Section 1.163-5(c)(2)(i)(D) of the United States Treasury Regulations (or any successor United States Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) ("**TEFRA D Rules**") or Section 1.163-5(c)(2)(i)(C) of the United States Treasury Regulations (or any successor United States Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) ("**TEFRA C Rules**"), as specified in the applicable Final Terms.

#### TEFRA D Rules

In addition, in respect of Securities issued in accordance with the TEFRA D Rules, the Issuer represents and agrees the following, and it will require all those persons participating in the distribution of the Securities to represent and agree respectively, namely, that:

- (i) except to the extent permitted under the TEFRA D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Securities in bearer form to a person who is within the United States or its possessions or to a United States per-

son, and (y) it has not delivered and will not deliver within the United States or its possessions definitive Securities that are sold during the restricted period;

- (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities in bearer form are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (iii) if such person is a United States person, it has represented that it is acquiring the Securities for purposes of resale in connection with their original issuance and if such Distributor retains Securities in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6) (or any successor United States Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010);
- (iv) with respect to each affiliate that acquires from such person Securities in bearer form for the purposes of offering or selling such Securities during the restricted period, such person either (x) repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii); and
- (v) such person will obtain for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii), (iii), and (iv) from any person other than its affiliate with whom it enters into a written contract, as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4) (or any successor United States Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010), for the offer and sale of Securities during the restricted period.

Terms used in the above paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

#### TEFRA C Rules

In addition, in respect of Securities issued in accordance with the TEFRA C Rules, Securities must be issued and delivered outside the United States and its possessions in connection with their original issuance. The Issuer will not, and it will require all those persons participating in the distribution of the Securities to not, offer, sell or deliver, directly or indirectly, Securities in bearer form within the United States or its possessions in connection with their original issuance. Further, the Issuer will not, and it will require all those persons participating in the distribution of the Securities to not, communicate, directly or indirectly, with a prospective purchaser if the Issuer, such person or purchaser is within the United States or its possessions and will not otherwise involve its United States office in the offer or sale of Securities. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, including the TEFRA C Rules.

Securities which do not qualify as registered form (bearer securities) issued pursuant to the TEFRA D Rules (other than temporary global securities and securities with a maturity, taking into account any unilateral rights to roll over or extend, of one year or less) and any receipts or coupons appertaining thereto will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

### **Public Offer Selling Restrictions under the Prospectus Directive**

In relation to each Member State of the European Economic Area, which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Securities may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), not be offered to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of Securities to the public may be made in that Relevant Member State:

- (a) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that relevant Member State (a "**Non-Exempt Offer**"), following the date of publication of a base prospectus in relation to such Securities, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such base prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such base prospectus or final terms, as applicable and each Issuer has consented in writing to its use for the purpose of the Non-Exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant person or entity placing or offering the Securities nominated by the relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that (i) no such offer of Securities referred to in (b) to (d) above shall require the relevant Issuer to publish a base prospectus pursuant to Article 3 of the Prospectus Directive or supplement a base prospectus pursuant to Article 16 of the Prospectus Directive and (ii) in the case of an offer into the Republic of Austria, a notification has been submitted to the Austrian Control Bank (*Österreichische Kontrollbank*), as set out in the Capital Market Act of 1991 (*Kapitalmarktgesetz 1991*), at least on banking day prior to the respective offer.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

### ***Selling Restrictions Addressing Additional United Kingdom Securities Laws***

The Issuer represents, warrants and agrees that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person,

apply to the Issuer and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

### ***Selling Restrictions Addressing additional Italian Securities Laws***

The offering of the Securities has not been registered pursuant to Italian securities legislation. Accordingly, Securities may not be offered or sold and documents relating to the Securities may not be distributed in the Republic of Italy except:

- (1) to qualified investors (*investitori qualificati*), as defined in Article 26, paragraph 1 (d) of Consob Regulation No. 16190 of October 29, 2007, as amended ("CONSOB Intermediaries Regulation") in connection with Article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended ("CONSOB Regulation No. 11971") implementing Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the "Financial Services Act"); or
- (2) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and CONSOB Regulation No. 11971; any such offer, sale or delivery of the Securities or distribution of any other document relating to the Securities in the Republic of Italy must be:
  - (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of September 1, 1993 as amended (the "Banking Act"), CONSOB Intermediaries Regulation, as amended and any other applicable laws and regulations; and
  - (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy (e.g. Article 129 of the Banking Act pursuant to which the Bank of Italy may request periodic information on the Securities offered in the Republic of Italy).

### ***Provisions relating to the secondary market in the Republic of Italy***

Investors should also note that, in any subsequent distribution of the Securities in the Republic of Italy, Article 100-bis of the Financial Services Act may require compliance with the law relating to public offers of securities. Furthermore, where the Securities are placed solely with qualified investors and are then systematically resold on the secondary market at any time in the twelve months following such placing, purchasers of Securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Securities were purchased, unless an exemption provided for under the Financial Services Act applies.

### ***Selling Restrictions Addressing Additional Irish Securities Laws***

The Securities shall not be underwritten or placed:

- (a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith and the provisions of the Investor Compensation Act 1998;
- (b) otherwise than in conformity with the provisions of the Companies Act 2014, the Central Bank Acts 1942-2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and

- (c) otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 1370 of the Companies Act 2014.

### ***Selling Restrictions Addressing Additional Austrian Securities Laws***

In addition to the cases described in the Public Offer Selling Restrictions under the Prospectus Directive in which the Securities may be offered to the public in a Relevant Member State (including Austria), the Securities may be offered to the public in Austria only:

- (a) if the following conditions have been satisfied:
- (i) the Base Prospectus, including any supplements but excluding any Final Terms, which has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "FMA") or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive, has been published at least one Austrian bank working day prior to the commencement of the relevant offer of the Securities to the public;
  - (ii) the applicable Final Terms for the Securities have been published and filed with the FMA on or prior to the date of commencement of the relevant offer of the Securities to the public; and
  - (iii) a notification with the *Oesterreichische Kontrollbank Aktiengesellschaft*, all as prescribed by the Austrian Capital Market Act (*Kapitalmarktgesetz*, Federal Law Gazette No. 625/1991, as amended, the "CMA"), has been filed at least one Austrian bank working day prior to the commencement of the relevant offer of the Securities to the public; or
- (b) otherwise in compliance with the CMA.

For the purposes of this Austrian selling restriction, the expression "an offer of the Securities to the public" means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

### ***Selling Restrictions Addressing Additional Czech Securities Laws***

No offers or sales of any Securities may be made in the Czech Republic through a public offering, except if in compliance with the Act of the Czech Republic No. 256/2004 Coll., on Conducting Business in the Capital Market, as amended (the "**Capital Market Act**"), which under the Capital Market Act comprises any communication to a broader circle of persons containing information on the Securities being offered and the terms under which they may acquire the Securities and which are sufficient for the investor to make a decision to subscribe for, or purchase, such Securities.

No action has been taken or will be taken which would result in the Securities being deemed to have been issued in the Czech Republic or pursuant to Czech law under relevant provisions of the Act of the Czech Republic No. 190/2004 Coll., on Bonds, as amended (the "**Bonds Act**"), and the issue of the Securities qualifying as "accepting of deposits from the public" by the relevant Issuer in the Czech Republic under Section 2(2) of the Act of the Czech Republic No. 21/1992 Coll., on Banks, as amended (the "**Banks Act**"), or requiring a permit, registration, filing or notification to the Czech National Bank or other authorities in the Czech Republic in respect of the Securities in accordance with the Capital Market Act, the Banks Act or practice of the Czech National Bank.

All of the laws of the Czech Republic applicable to the conduct of business in the Czech Republic, including the laws applicable to the provision of investment services (within the meaning of the Capital Market Act) in the Czech Republic, in respect of the Securities have been complied with.

No action has been taken or will be taken which would result in the issue of the Securities being considered an intention to manage assets by acquiring funds from the public in the Czech Republic for the purposes of collective investment pursuant to defined investment policy in favour of the investors under the Act of the Czech Republic No. 240/2013 Coll., on Management Companies and Investment Funds, (the "MCIFA"), which implements the Directive 2011/61/EU. Any issue, offer or sale of the Securities has been or will be carried out in strict compliance with the MCIFA.

### ***Selling Restrictions Addressing Additional Poland Laws***

Pursuant to Article 7 of the Act on Public Offerings, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005, as amended (consolidated text, J. L. 2009, No. 185, item 1439) (the "Act on Public Offerings"), a public offering or admission of securities to trading on a regulated market requires an issue prospectus to be made available to the public. Pursuant to Article 37 of the Act on Public Offerings, securities of an issuer with its registered office in a Member State for which Poland is a host state may be offered in a public offering or admitted to trading on a regulated market in Poland on completing the passporting procedure described in that act.

Pursuant to Article 3 of the Act on Public Offerings, a "Public Offering" consists of making information available to at least 150 persons or to an unspecified addressee, in any form and manner, about securities and the conditions for the acquisition of them, provided that this information constitutes satisfactory grounds for making a decision on whether to acquire the securities for consideration.

### ***Selling Restrictions Addressing Additional Belgium Laws***

#### ***Bearer form securities***

Bearer securities (including, without limitation, definitive securities in bearer form and securities in bearer form underlying the Securities) shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

#### ***Fund-linked securities***

Restrictions related to AIFMD/notes linked to AIFs to be discussed.

#### ***Securities with a maturity of less than 12 months***

With regard to Securities having a maturity of less than 12 months (and which therefore fall outside the scope of the Prospectus Directive), this Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Financial Services and Markets Authority. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed will be required to represent and agree, that it shall refrain from taking any action that would be characterised as or result in a public offering of these Notes in Belgium in accordance with the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

### **Selling Restrictions Addressing Additional French Securities Laws**

#### ***Description of the French Selling Restrictions***

Each of the Distributors and the Issuer has represented and agreed that, and each further Distributor appointed under the Programme will be required to represent and agree, that:

Offer to the public in France:

it has only made and will only make an offer of Securities to the public (*offre au public*) in France in the period (a) beginning (i) when a prospectus in relation to those Securities has been approved by the Autorité des marchés financiers ("**AMF**"), on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, as amended, on the date of notification of such approval to the AMF, and (b) ending at the latest on the date which is twelve months after the date of the approval of such prospectus, all in accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and the Règlement général of the AMF; or

#### Private placement in France

it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 of the French Code monétaire et financier.

#### **AUTHORISATION**

The establishment of the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG and the issue of Securities under the Programme were duly authorised by the Group Asset/Liability Committee (ALCO), a subcommittee of the Management Board of HVB, on 17 April 2001. The full EUR 50,000,000,000 authorisation amount of this Programme may also be applied by other base prospectuses of HVB, however, the aggregate utilised amount of this Programme together with any other base prospectuses of HVB under this Programme will not exceed EUR 50,000,000,000.

The establishment of the Programme of UniCredit International Luxembourg and the issue of Securities under that Programme were duly authorised by the resolutions of the Board of Directors of UniCredit International Luxembourg dated 24 July 2014. The update of the Programme and, in the case of the Guarantor, the giving of the Guarantee, have been duly authorised by the resolutions of the Board of Directors of UniCredit as Guarantor dated 19 January 2015 and 11 February 2015.

#### **AVAILABILITY OF DOCUMENTS**

Copies of the articles of association of each of the Issuers and the Guarantor, the consolidated annual reports in respect of the fiscal years ended 31 December 2013 and 2014 of HVB Group, the unconsolidated annual financial statements of HVB Group in respect of the fiscal year ended 31 December 2014 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*), the audited consolidated financial statements of UniCredit International Luxembourg as at and for the financial years ended 31 December 2014 and 31 December 2013, the audited consolidated reports and accounts of UniCredit as at and for the financial years ended 31 December 2014 and 31 December 2013, the latest unaudited consolidated interim accounts of the Issuers and the Guarantor, the forms of the Global Notes, the Final Terms and the Agency Agreement, as amended and restated, will be available during usual business hours on any weekday (except Saturdays and public holidays) at the offices of each of the Issuers and of BNP Paribas Securities Services, Luxembourg Branch in its capacity as listing agent for the Securities.

For the validity of this Base Prospectus, all documents from which information has been incorporated by reference in this Base Prospectus will be available for collection in the English language, free of charge, at the offices of UniCredit Bank AG (Arabellastraße 12, 81925 Munich, Germany) and at the offices of UniCredit International Bank (Luxembourg) S.A. (8-10 rue Jean Monnet, L-2180 Luxembourg). The documents incorporated by reference with regard to the Guarantor will be available for inspection in the English language, free of charge, at the offices of the UniCredit S.p.A. (Via A. Specchi 16, 00186, Rome, Italy).

In addition, copies of this Base Prospectus, each Final Terms relating to Securities which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference with regard to HVB, UniCredit International Luxembourg and UniCredit are available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

## **CLEARING SYSTEM**

Securities may be cleared through Euroclear Bank SA/NV as operator of the Euroclear system (1 Boulevard du Roi Albert IIB, 1210 Brussels, Belgium) ("**Euroclear Bank**"), Clearstream Banking S.A., Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg) ("**Clearstream Banking SA**" or "**CBL**"), Clearstream Banking AG, Frankfurt am Main (Mergenthalerallee 61, 65760 Eschborn, Germany) ("**Clearstream Banking AG**" or "**CBF**"), Euroclear France S.A. (66 Rue de la Victoire, 75009 Paris, France) ("**Euroclear France**") and/or any alternative clearing system as specified in the Final Terms. The appropriate security identification codes for each Series of Securities will be contained in the Final Terms. The relevant Issuer may decide to deposit, or otherwise arrange for the clearance of, Securities issued under the Programme with or through an alternative clearing system. The relevant details of such alternative clearing system will be specified in the Final Terms.

## **AGENTS**

Principal Paying Agents under the Programme are UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany and (for Securities deposited with Clearstream Banking SA and Euroclear Bank) Citibank, N.A., London Office, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

French Paying Agent for Euroclear France S.A. is CACEIS Bank S.A., 1-3 rue place Valhubert, 75206 Paris Cedex 13, France.

Calculation Agent under the Programme is UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany.

The relevant Luxembourg Listing Agent under the Programme is BNP Paribas Securities Services, Luxembourg Branch, 33, Rue de Gasperich, L-5826 Hesperange, Luxembourg.

The relevant Issuer may decide to appoint another Principal Paying Agent and/or Calculation Agent for the Securities issued under the Base Prospectus. The relevant details of such alternative Principal Paying Agent and/or Calculation Agent will be specified in the Final Terms.

## **SIGNIFICANT CHANGES IN THE FINANCIAL POSITION OF THE ISSUERS AND, IF SECURITIES ARE GUARANTEED SECURITIES, THE GUARANTOR AND TREND INFORMATION**

The performance of HVB Group will depend on the future development on the financial markets and the real economy in 2015 as well as other remaining imponderables. In this environment HVB Group will continuously adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived from this on a regular basis.

The performance of UniCredit International Luxembourg and the Guarantor will depend on the future development on the financial markets and the real economy in 2015 as well as other remaining imponderables. In this environment, UniCredit International Luxembourg and the Guarantor will continuously adapt their business strategy to reflect changes in market conditions and carefully review the management signals derived from this on a regular basis.

There has been (i) no significant change in the financial position of the HVB Group which has occurred since 30 June 2015, and (ii) no material adverse change in the prospects of the HVB Group since 31 December 2014, the date of the last published audited financial statements.

There has been (i) no significant change in the financial or trading position of UniCredit International Luxembourg since 31 December 2014, and (ii) no material adverse change in the prospects of UniCredit International Luxembourg since 31 December 2014, the date of its last published audited financial statements.

There has been (i) no significant change in the financial or trading position of UniCredit and the UniCredit Group since 30 June 2015, and (ii) no material adverse change in the prospects of UniCredit and the UniCredit Group since 31 December 2014, the date of its last published audited financial statements.

#### **CONFIRMATION WITH REGARD TO THE CONFLICT OF INTEREST STATEMENT AND THE STATEMENT REGARDING THE LEGAL AND ARBITRATION PROCEEDINGS**

The conflict of interest statement on page 17 of the Registration Document and the statement regarding legal risks and arbitration proceedings on page 17 to page 20 of the Registration Document incorporated by reference herein are up-to-date as at the date of approval of this Base Prospectus.

The section entitled "Conflicts of Interest" at pages 232 and 239 of the base prospectus dated 15 June 2015 relating to the EMTN Programme and incorporated by reference herein are up-to-date as at the date of approval of this Base Prospectus.

The paragraph "Litigation" at page 279 of the base prospectus dated 15 June 2015 relating to the EMTN Programme and incorporated by reference herein is up-to-date as at the date of approval of this Base Prospectus. Except as disclosed in the base prospectus dated 15 June 2015 relating to the EMTN Programme from page 202 to page 220 and in Section 4 of Part E of the Notes to the Consolidated Accounts contained in its Audited Consolidated Annual Financial Statements as at and for the Financial Year ended 31 December 2014, which are incorporated by reference in this Base Prospectus, neither UniCredit International Luxembourg nor the Guarantor are or have been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which UniCredit International Luxembourg or the Guarantor is aware) in the twelve months preceding the date of the approval of this Base Prospectus which, according to the information available at present, may have or have had in such period a significant effect on the financial position or profitability of UniCredit International Luxembourg or the Guarantor.

#### **INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

Any of the Distributors and their affiliates may be customers or borrowers of the Issuers, the Guarantor and their affiliates. In addition, any of such Distributors and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the relevant Issuer, the Guarantor or their affiliates in the ordinary course of business.

HVB may act as arranger with regard to the Securities offered under the relevant Programme of UniCredit International Luxembourg.

#### **THIRD PARTY INFORMATION**

Where information has been sourced from a third party, the relevant Issuer confirms that to the best of its knowledge this information has been accurately reproduced and that so far as the relevant Issuer is aware and able to ascertain from information published by such third party no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### **USE OF PROCEEDS AND REASONS FOR THE OFFER**

The net proceeds from each issue of Securities by the Issuers will be used for their respective general corporate purposes.

## INFORMATION INCORPORATED BY REFERENCE IN THIS BASE PROSPECTUS

The following information shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus. Parts of such documents whose information is not incorporated by express reference are not relevant for potential investors.

	<b>Pages of the document incorporated:</b>	<b>Inserted in this Base Prospectus on the following pages:</b>
<p><b>Registration Document of UniCredit Bank AG dated 24 April 2015, approved by the German Federal Financial Services Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>)</b></p> <p><b>Risk Factors</b></p> <ul style="list-style-type: none"> <li>- Risks relating to HVB Group</li> </ul> <p><b>UniCredit Bank AG</b></p> <ul style="list-style-type: none"> <li>- Information about HVB, the parent company of HVB Group</li> <li>- Auditors</li> </ul> <p><b>Business Overview</b></p> <ul style="list-style-type: none"> <li>- Principal Activities</li> <li>- Business segments of HVB Group</li> <li>- Principal Markets</li> </ul> <p><b>Management and Supervisory Bodies</b></p> <p><b>Major Shareholders</b></p> <p><b>Auditors</b></p> <p><b>Legal Risks/Arbitration Proceedings</b></p>	<p>p. 3 to 12</p> <p>p. 12</p> <p>p. 3 and 17</p> <p>p. 12</p> <p>p. 12 to 15</p> <p>p. 15</p> <p>p. 15 to 17</p> <p>p. 17</p> <p>p. 17</p> <p>p. 17 to 20</p>	<p>p. 55</p> <p>p. 88</p>
<p><b>Audited financial statements of HVB Group for the fiscal year ended 31 December 2013 (Annual Report of HVB Group as at 31 December 2013)</b></p> <ul style="list-style-type: none"> <li>- Consolidated Income Statement</li> </ul>	<p>p. 110 to 111</p>	<p>p. 88</p>

	<b>Pages of the document incorporated:</b>	<b>Inserted in this Base Prospectus on the following pages:</b>
- Consolidated Balance Sheet	p. 112 to 113	p. 88
- Statement of Changes in Consolidated Shareholders' Equity	p. 114 to 115	p. 88
- Consolidated Cash Flow Statement	p. 116 to 117	p. 88
- Notes to the Consolidated Financial Statements	p. 118 to 248	p. 88
- Auditor's Certificate	p. 249	p. 88
<b>Audited financial statements of HVB Group for the fiscal year ended 31 December 2014 (Annual Report of HVB Group as at 31 December 2014)</b>		
- Consolidated Income Statement	p. 112 to 113	p. 88
- Consolidated Balance Sheet	p. 114 to 115	p. 88
- Statement of Changes in Consolidated Shareholders' Equity	p. 116 to 117	p. 88
- Consolidated Cash Flow Statement	p. 118 to 119	p. 88
- Notes to the Consolidated Financial Statements	p. 120 to 252	p. 88
- Auditor's Certificate	p. 253	p. 88
<b>Audited unconsolidated financial statements (Jahresabschluss) of UniCredit Bank AG for the fiscal year ended 31 December 2014 (Annual Report of UniCredit Bank AG as at 31 December 2014)</b>		
- Income Statement	p. 80 to 81	p. 88
- Balance Sheet	p. 82 to 87	p. 88
- Notes	p. 88 to 138	p. 88
- Auditor's Report	p. 139	p. 88

	<b>Pages of the document incorporated:</b>	<b>Inserted in this Base Prospectus on the following pages:</b>
<p><b>Unaudited Consolidated Half-Yearly Financial Report of HVB Group as at 30 June 2015</b></p> <ul style="list-style-type: none"> <li>- Consolidated Income Statement</li> <li>- Consolidated Balance Sheet</li> <li>- Statement of Changes in Shareholders' Equity</li> <li>- Notes</li> </ul>	<p>p. 54 to 57</p> <p>p. 58 to 59</p> <p>p. 60 to 61</p> <p>p. 63 to 99</p>	<p>p. 88</p> <p>p. 88</p> <p>p. 88</p> <p>p. 88</p>
<p><b>Base Prospectus for the issuance of Fund-linked Securities under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG and the Euro 1,000,000,000 Debt Issuance Programme of UniCredit International Bank (Luxembourg) S.A. dated 20 October 2014</b></p> <ul style="list-style-type: none"> <li>- Description of the Securities – Option 2: Fund Index Securities</li> <li>- Description of the Securities – Option 10: Fund Index Telescope Securities</li> <li>- Conditions of the Securities – Part C Special Conditions of the Securities – Option 2: Fund Index Securities</li> <li>- Conditions of the Securities – Part C Special Conditions of the Securities – Option 10: Fund Index Telescope Securities</li> </ul>	<p>p. 84 to 85</p> <p>p. 102 to 103</p> <p>p. 142 to 153</p> <p>p. 264 to 275</p>	<p>p. 122</p> <p>p. 122</p> <p>p. 347</p> <p>p. 347</p>
<p><b>Base prospectus of UniCredit Bank AG dated 21 February 2014 for the issuance of Worst-of Bonus Securities, Worst-of Express Securities and Worst-of Express Cash Collect Securities)</b></p> <p>Description of indices which are composed by the Issuer or by any legal entity belonging to the same group</p> <ul style="list-style-type: none"> <li>- Cross Commodity Long/Short Index</li> </ul>	<p>p. 379 to 383</p>	<p>p. 348</p>
<p><b>60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 15 June 2015, approved by the</b></p>		

	<b>Pages of the document incorporated:</b>	<b>Inserted in this Base Prospectus on the following pages:</b>
<b><i>Commission de Surveillance du Secteur Financier</i></b>		
<b>Risk Factors</b>		
- Risk Factors	p. 42 to 76	p. 55
<b>UniCredit International Luxembourg</b>		
<b><i>– Description of UniCredit International Luxembourg</i></b>		
- History	p. 237	p. 88
- Recent Events	p. 237	p. 88
- Business	p. 237	p. 88
- Recent Investment	p. 237	p. 88
- Constitution	p. 238	p. 88
- Corporate Objects	p. 238	p. 88
- Material Contracts	p. 238	p. 88
- Directors	p. 238 to 239	p. 88
- Conflict of Interests	p. 239	p. 88
- External Auditors	p. 239	p. 88
<b><i>– Description of UniCredit and the UniCredit Group</i></b>		
- Legal and Arbitration Proceedings	p. 202 to 220	p. 88
<b><i>– General Information</i></b>		
- Significant or Material Adverse Change	p. 279	p. 88
- Trend Information	p. 279	p. 88
- Litigation	p. 279	p. 88
- External Auditors	p. 279 to 280	p. 88

	<b>Pages of the document incorporated:</b>	<b>Inserted in this Base Prospectus on the following pages:</b>
<b>UniCredit</b>		
<i>– Description of UniCredit and the UniCredit Group</i>		
- Description of UniCredit and the UniCredit Group	p. 193	p. 88
- History	p. 193	p. 88
- The Current Organisational Structure	p. 194 to 197	p. 88
- Strategy of the Group	p. 198	p. 88
- Business areas	p. 199 to 202	p. 88
- Management	p. 221 to 231	p. 88
- Principal Shareholders	p. 220 to 221	p. 88
- Legal and Arbitration Proceedings	p. 202 to 220	p. 88
- Corporate Objects	p. 220	p. 88
- Principal Shareholders	p. 220 to 221	p. 88
- Material Contracts	p. 221	p. 88
- Management	p. 221 to 232	p. 88
- Conflict of Interests	p. 232	p. 88
- External Auditors	p. 232	p. 88
<i>– General Information</i>		
- Significant or Material Adverse Change	p. 279	p. 88
- Trend Information	p. 279	p. 88
- Litigation	p. 279	p. 88
- External Auditors	p. 279 to 280	p. 88

	<b>Pages of the document incorporated:</b>	<b>Inserted in this Base Prospectus on the following pages:</b>
<p><b>First Supplement dated 13 August 2015 to the Base Prospectus dated 15 June 2015</b></p> <p><i>– Documents Incorporated by Reference</i></p> <ul style="list-style-type: none"> <li>- Unaudited consolidated interim financial statements (including limited review report) of UniCredit and unaudited interim financial statements of UniCredit Ireland in respect of the six months ended 30 June 2015</li> <li>- Press release concerning the exclusive negotiation of UniCredit Group and Alfa Group's ABH Holdings for the sale of Ukrosotsbank</li> <li>- Press release concerning the new organisational and managerial set-up for the Group senior management</li> <li>- Press release concerning, inter alia, the upgrade by Moody's of the long term deposit and senior debt rating of UniCredit</li> </ul> <p><i>– Other Information</i></p> <ul style="list-style-type: none"> <li>- Description of UniCredit and the UniCredit Group</li> </ul>	<p>p. 2 to 3</p> <p>p. 3</p> <p>p. 3 to 4</p> <p>p. 4</p> <p>p. 4 to 6</p>	<p>p. 88</p> <p>p. 88</p> <p>p. 88</p> <p>p. 88</p> <p>p. 88</p>
<p><b>Audited Consolidated Financial Statements of UniCredit International Bank (Luxembourg) S.A. as at and for the financial year ended 31 December 2014</b></p> <ul style="list-style-type: none"> <li>- Consolidated statement of financial position</li> <li>- Consolidated statement of comprehensive income</li> <li>- Consolidated statement of changes in equity</li> <li>- Consolidated statement of cash flows</li> </ul>	<p>p. 12</p> <p>p. 13</p> <p>p. 14 to 15</p> <p>p. 16 to 17</p>	<p>p. 88</p> <p>p. 88</p> <p>p. 88</p> <p>p. 88</p>
<ul style="list-style-type: none"> <li>- Notes to the consolidated financial statements</li> <li>- Report of the <i>réviseur d'entreprises agréé</i></li> </ul>	<p>p. 18 to 53</p> <p>p. 10 to 11</p>	<p>p. 88</p> <p>p. 88</p>

	<b>Pages of the document incorporated:</b>	<b>Inserted in this Base Prospectus on the following pages:</b>
<b>Audited Consolidated Financial Statements of UniCredit International Bank (Luxembourg) S.A. as at and for the financial year ended 31 December 2013</b>		
- Consolidated statement of financial position	p. 3 to 4	p. 88
- Consolidated statement of comprehensive income	p. 1 to 2	p. 88
- Consolidated statement of changes in equity	p. 5	p. 88
- Consolidated statement of cash flows	p. 6 to 7	p. 88
- Notes to the consolidated financial statements	p. 8 to 89	p. 88
- Report of the <i>réviseur d'entreprises agréé</i>	First two pages following the cover page	p. 88
<b>Consolidated Reports and Accounts of UniCredit S.p.A. as at and for the fiscal year ended 31 December 2014</b>		
- Consolidated Balance Sheet	p. 88 to 89	p. 88
- Consolidated Income Statement	p. 90	p. 88
- Consolidated Statement of Comprehensive Income	p. 91	p. 88
- Statement of Changes in Shareholders' Equity	p. 92 to 95	p. 88
- Consolidated Cash Flow Statement	p. 96 to 97	p. 88
- Notes to the Consolidated Accounts	p. 99 to 546	p. 88
- Certification	p. 563 to 566	p. 88
- Report of External Auditors	p. 567 to 569	p. 88

	<b>Pages of the document incorporated:</b>	<b>Inserted in this Base Prospectus on the following pages:</b>
<b>Consolidated Reports and Accounts of UniCredit S.p.A. as at and for the fiscal year ended 31 December 2013</b>		
- Consolidated Balance Sheet	p. 82 to 83	p. 88
- Consolidated Income Statement	p. 84	p. 88
- Consolidated Statement of Comprehensive Income	p. 85	p. 88
- Statement of changes in Shareholders' Equity	p. 86 to 87	p. 88
- Consolidated Cash Flow Statement	p. 88 to 89	p. 88
- Notes to the Consolidated Accounts	p. 91 to 528	p. 88
- Consolidated Financial Statements Certification	p. 545 to 547	p. 88
- Report of External Auditors	p. 549 to 551	p. 88
<b>Unaudited Consolidated Half Year Financial Report of UniCredit S.p.A. as at 30 June 2014</b>		
Consolidated Balance Sheet	p. 50 to 51	p. 88
Consolidated Income Statement	p. 52	p. 88
Consolidated Statement of Comprehensive Income	p. 53	p. 88
Statement of changes in Shareholders' Equity	p. 54	p. 88
Consolidated Cash Flow Statement	p. 56	p. 88
Notes to the Consolidated Accounts	p. 59 to 266	p. 88
Certification	p. 283 to 285	p. 88
<b>Unaudited Consolidated Half Year Financial Report of UniCredit S.p.A. as at 30 June 2015</b>		
- Consolidated Balance Sheet	p. 48 to 49	p. 88

	<b>Pages of the document incorporated:</b>	<b>Inserted in this Base Prospectus on the following pages:</b>
- Consolidated Income Statement	p. 50	p. 88
- Consolidated Statement of Comprehensive Income	p. 51	p. 88
- Statement of changes in Shareholders' Equity	p. 52 to 55	p. 88
- Consolidated Cash Flow Statement	p. 56	p. 88
- Certification	p. 321 to 323	p. 88

The Registration Document of UniCredit Bank AG dated 24 April 2015 has been published on the website of HVB (<http://www.onemarkets.de/de/produkte/rechtliche-hinweise/basisprospekte.html>).

The Annual Report of HVB Group as at 31 December 2013, the Annual Report of HVB Group as at 31 December 2014, the Annual Report of UniCredit Bank AG as at 31 December 2013, the Annual Report of UniCredit Bank AG as at 31 December 2014 and the Consolidated Half-Yearly Report of HVB Group as at 30 June 2015 have been published on the website of HVB (<https://investors.hypovereinsbank.de/cms/english/investorrelations/reportsfinancedata/index.html>).

The Audited Consolidated Financial Statements of UniCredit International Bank (Luxembourg) S.A. as at and for the financial year ended 31 December 2014, the Audited Consolidated Financial Statements of UniCredit International Bank (Luxembourg) S.A. as at and for the financial year ended 31 December 2013, the Consolidated Reports and Accounts of UniCredit S.p.A. as at and for the fiscal year ended 31 December 2014, the Consolidated Reports and Accounts of UniCredit S.p.A. as at and for the fiscal year ended 31 December 2013, the Consolidated Interim Report of UniCredit Group as at 30 June 2015 and the Consolidated Interim Report of UniCredit Group as at 30 June 2014 have previously been published and filed with the CSSF within the context of a procedure for the approval of the €60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 15 June 2015 and are available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Copies of any or all of the documents which are incorporated herein by reference will be available, free of charge, at the offices of UniCredit Bank AG (Arabellastraße 12, 81925 Munich, Germany) and UniCredit International Bank (Luxembourg) S.A. (8-10 rue Jean Monnet, L-2180 Luxembourg).

For the avoidance of doubt the content of the websites referred to in this Base Prospectus does not form part of the Prospectus.

## THE ISSUERS

**UniCredit Bank AG**  
Arabellastraße 12  
81925 Munich  
Germany

**UniCredit International Bank (Luxembourg) S.A.**  
8-10 rue Jean Monnet  
L-2180  
Luxembourg

## THE GUARANTOR

**UniCredit S.p.A.**  
Via A. Specchi, 16  
00186 Rome  
Italy

## CALCULATION AGENT

**UniCredit Bank AG**  
Arabellastraße 12  
81925 München  
Germany

## PRINCIPAL PAYING AGENT

**UniCredit Bank AG**  
Arabellastraße 12  
81925 München  
Germany

or

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square, Canary Wharf  
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