

This document constitutes a base prospectus (the "**Base Prospectus**") for the purpose of 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, relating to Reference Asset Linked and Bond Linked Equity Securities (the "**Securities**") issued from time to time by UniCredit Bank AG ("**HVB**" or the "**Issuer**") under the Euro 50,000,000,000 Debt Issuance Programme (the "**Programme**").



## **UniCredit Bank AG**

**Munich, Federal Republic of Germany**

### **Base Prospectus**

**for the issuance of**

### **Reference Asset Linked Securities**

**and**

### **Bond Linked Equity Securities**

**under the Euro 50,000,000,000 Debt Issuance Programme**

**28 July 2017**

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. Under this Base Prospectus the Issuer may issue new Securities under the Programme, increase the issuing volume of Securities which have already been issued, and apply for the admission to trading of Securities on a regulated or other equivalent market.

## TABLE OF CONTENTS

<b>SUMMARY</b> .....	6
A. Instruction and Warnings .....	6
B. Issuer .....	7
C. Securities .....	10
D. Risks.....	23
E. Offer .....	29
Annex to the Summary .....	32
<b>RISK FACTORS</b> .....	33
A. Risks Related to the Issuer .....	34
B. Risks related to potential Conflicts of Interest .....	34
C. Risks related to the Securities .....	36
D. Risks related to the Reference Assets .....	54
E. Risks related to the Underlying .....	56
<b>GENERAL DESCRIPTION OF THE BASE PROSPECTUS</b> .....	76
<b>RESPONSIBILITY STATEMENT</b> .....	77
<b>CONSENT TO THE USE OF THE BASE PROSPECTUS</b> .....	78
<b>DESCRIPTION OF THE ISSUER</b> .....	79
<b>GENERAL INFORMATION ON THE SECURITIES</b> .....	80
Features of the Securities .....	80
Publications.....	81

Issue Price .....	81
Pricing .....	81
Selling concession or other concessions .....	81
Placing and distribution .....	82
Admission to trading and listing of the Securities .....	82
Potential Investors .....	82
Term and conditions of the offer .....	82
Offer during a subscription period .....	83
Method and time limits for delivery of the Securities .....	83
<b>DESCRIPTION OF THE SECURITIES</b> .....	84
The Securities .....	84
Product Type 1: Fix Rate Reference Asset Linked Securities .....	84
Product Type 2: Floating Rate Reference Asset Linked Securities .....	86
Product Type 3: Bond Linked Equity Securities .....	89
Product Type 4: All Time High Bond Linked Equity Securities .....	92
Product Type 5: Cash Collect Bond Linked Equity Securities .....	95
Product Type 6: Performance Cash Collect Bond Linked Equity Securities .....	97
Product Type 7: Digital Coupon Bond Linked Equity Securities .....	101
Product Type 8: Twin-Win Bond Linked Equity Securities .....	103
Product Type 9: Win-Win Bond Linked Equity Securities .....	106
Product Type 10: Icarus Bond Linked Equity Securities .....	109

<b>CONDITIONS OF THE SECURITIES</b> .....	113
Structure of the Conditions .....	114
Part A – General Conditions of the Securities .....	116
Part B – Product [and] [,] Reference Asset Data [and Underlying Data] .....	122
Part C – Special Conditions of the Securities .....	129
<b>ANNEX 1 – TRUST AGREEMENT</b> .....	243
<b>ANNEX 2 – PLEDGE AGREEMENT</b> .....	259
<b>DESCRIPTION OF INDICES COMPOSED BY THE ISSUER OR BY ANY LEGAL ENTITY BELONGING TO THE SAME GROUP</b> .....	265
A. HVB Health Care Risk Control 7 Index .....	265
B. HVB Health Care Risk Control 10 Index.....	268
C. HVB Global Water Risk Control 6 Index .....	271
D. UniCredit Multi Asset Trend IV Index .....	274
E. HVB Robotics Fund Risk Control 9 Index.....	288
F. Description of Indices composed by the Issuer or by any Legal Entity belonging to the same Group incorporated by reference .....	298
<b>FORM OF FINAL TERMS</b> .....	299
<b>TAXES</b> .....	306
EU Savings Directive.....	306
OECD Common Reporting Standard, EU Administrative Cooperation Directive.....	306
Financial Transaction Taxes.....	306
Germany.....	307

Austria.....	310
Luxembourg.....	313
Czech Republic.....	314
Poland.....	315
Slovak Republic.....	318
Hungary.....	320
Bulgaria.....	322
Croatia.....	323
U.S. Withholding Tax.....	325
<b>GENERAL INFORMATION</b> .....	<b>327</b>
Selling Restrictions.....	327
Authorisation.....	330
Availability of Documents.....	330
Clearing System.....	330
Agents.....	330
Significant Changes in HVB's Financial Position and Trend Information.....	330
Interest of Natural and Legal Persons involved in the Issue/Offer.....	331
Third Party Information.....	331
Use of Proceeds and Reasons for the Offer.....	331
Information incorporated by reference in this Base Prospectus.....	331

## 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. INSTRUCTION AND WARNINGS

A.1	Warning	<p>This Summary should be read as an introduction to the Base Prospectus.</p> <p>The investor should base any decision to invest in the relevant Securities on consideration of the Base Prospectus as a whole.</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, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Consent to the use of the base prospectus	<p>[Subject to the following paragraphs, the Issuer gives its [general] [individual] consent to the use of the Base Prospectus during the Offer Period for subsequent resale or final placement of the Securities by financial intermediaries.]</p> <p>[Not applicable. The Issuer does not give its consent to the use of the Base Prospectus for subsequent resale or final placement of the Securities by financial intermediaries.]</p>
	Indication of the offer period	<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>] [during 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 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 consent to the use of the Base Prospectus is subject to the condition that the financial intermediary using the Base</p>

		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.] [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

B.1	Legal and commercial name	UniCredit Bank AG (" <b>UniCredit Bank</b> ", the " <b>Issuer</b> " or " <b>HVB</b> ") (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 in Munich, was incorporated in Germany under the laws of the Federal Republic of Germany as a stock corporation which operates under German law.
B.4b	Known trends affecting the issuer and the industries in which it operates	The performance of HVB Group will also in 2017 depend on the future development on the financial and capital markets, and the real economy as well as on the imponderables related. In this environment, HVB Group reviews its business strategy on a regular as well as on an ad hoc basis and adopts it where necessary.
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; profit forecasts or estimates are not prepared by the Issuer.
B.10	Nature of any qualifications in the audit report on historical financial information	Not applicable; Deloitte 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 2015 and for the financial year ended 31 December 2016 and the unconsolidated financial statement ( <i>Einzelabschluss</i> ) of UniCredit Bank for the financial year ended 31 December 2016 and has in each case issued an unqualified audit opinion thereon.

B.12

Selected historical key financial information

**Consolidated Financial Highlights as of 31 December 2016**

<b>Key performance indicators</b>	<b>1/1/2016 – 31/12/2016*</b>	<b>1/1/2015 – 31/12/2015†</b>
Net operating profit <sup>1)</sup>	€1,096m	€983m
Profit before tax	€297m	€776m
Consolidated profit	€157m	€750m
Earnings per share	€0.19	€0.93
<b>Balance sheet figures</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Total assets	€302,090m	€298,745m
Shareholders' equity	€20,420m	€20,766m
<b>Key capital ratios</b>	<b>31/12/2016</b>	<b>31/12/2015</b>
Common Equity Tier 1 capital	€16,611m <sup>2)</sup>	€19,564m <sup>3)</sup>
Core capital (Tier 1 capital)	€16,611m <sup>2)</sup>	€19,564m <sup>3)</sup>
Risk-weighted assets (including equivalents for market risk and operational risk)	€81,575m	€78,057m
Common Equity Tier 1 capital ratio <sup>4)</sup>	20.4% <sup>2)</sup>	25.1% <sup>3)</sup>
Core capital ratio (Tier 1 ratio) <sup>4)</sup>	20.4% <sup>2)</sup>	25.1% <sup>3)</sup>

\* Figures shown in this column are audited and taken from the consolidated financial statements of HVB Group for the financial year ended 31 December 2016.

† Figures shown in this column are audited and taken from the consolidated financial statements of HVB Group for the financial year ended 31 December 2015.

<sup>1)</sup> Net operating profit results from the P/L line items net interest, dividends and other income from equity investments, net fees and commissions, net trading income, net other expenses/income, operating costs and net write-downs of loans and provisions for guarantees and commitments.

<sup>2)</sup> in accordance with the consolidated financial statements of HVB Group for the financial year ended 31 December 2016 approved by the Supervisory Board of UniCredit Bank AG.

<sup>3)</sup> in accordance with the consolidated financial statements of HVB Group for the financial year ended 31 December 2015 approved by the Supervisory Board of UniCredit Bank AG.

<sup>4)</sup> calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.

Statement with

There has been no material adverse change in the prospects of HVB

	<p>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</p> <p>Description of significant change in the financial position subsequent to the period covered by the historical financial information</p>	<p>Group since 31 December 2016, the date of its last published audited financial statements.</p> <p>Not applicable. There has been no significant change in the financial position of HVB Group which has occurred since 31 December 2016.</p>
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	<p>See B.5</p> <p>Not applicable. UniCredit Bank is not dependent on any entity within HVB Group.</p>
B.15	Principal activities	<p>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.</p> <p>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 and investment banking products for corporate customers.</p> <p>In the private banking and wealth management customer segments, UniCredit Bank offers comprehensive financial and asset planning with needs-based advisory services by generalists and specialists.</p> <p>HVB Group continues to be the centre of competence for the international markets and investment banking operations of the entire UniCredit. In addition, the Corporate &amp; Investment Banking business segment acts as a product factory for customers in the Commercial Banking business segment.</p>
B.16	Direct or indirect	UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital.

	ownership or control	
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## C. SECURITIES

C.1	Type and class of the securities / security identification number	<p>The securities are [Bond Linked Equity Securities] [All Time High Bond Linked Equity Securities] [Cash Collect Bond Linked Equity Securities] [Performance Cash Collect Bond Linked Equity Securities] [Digital Coupon Bond Linked Equity Securities] [Twin-Win Bond Linked Equity Securities] [Win-Win Bond Linked Equity Securities] [Icarus Bond Linked Equity Securities] (the "<b>Securities</b>") and will be issued as [notes][certificates].</p> <p>[The Securities are represented by a permanent global note without interest coupons.]</p> <p>[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.]</p> <p>The holders of the Securities (the "<b>Security Holders</b>") are not entitled to receive definitive Securities.</p> <p><i>[To be inserted only in the case of several issues:</i></p> <p>The [ISIN][,][and] [WKN][,][and] [Common Code] [is][are] specified in the Annex table to this summary.]</p> <p><i>[To be inserted only in the case of one single issue:</i></p> <p>[ISIN: [●]]</p> <p>[WKN: [●]]</p> <p>[Common Code: [●]]]</p>
C.2	Currency of the securities issue	The Securities are issued in [ <i>insert specified currency</i> ] (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>Rights attached to the Securities</b></p> <p>The Securities have a fixed term.</p> <p><i>[To be inserted only in the case of several issues:</i></p> <p>The Nominal Amount is specified in the Annex table to this summary.]</p> <p><i>[To be inserted only in the case of one single issue:</i></p> <p>Nominal Amount<sup>1</sup>: [●]]</p> <p>The Securities do not bear interest.</p> <p><i>[Product Type 5, 6, 7, 8: In the case of Cash Collect, Digital Cash Collect, Performance Cash Collect, Digital Coupon Bond-linked Equity</i></p>

<sup>1</sup> The Nominal amount shall be not less than 1,000 Euro.

	<p><u>Securities the following applies:</u> [Upon fulfilment of the condition specified in C.15,] [T][t]he The Security Holders are entitled to the payment of the respective Additional Amount (k) as specified in C.15 on the respective Additional Amount Payment Date (k) as specified in the Annex to this Summary. The Minimum Additional Amount (k) is specified in the Annex to this Summary.]</p> <p><b>Redemption of the Securities</b></p> <p>Subject to the occurrence of a Risk Event [or a Conversion Event or an Enforcement Event] the Security Holders are entitled to the payment of the Redemption Amount on the Maturity Date as specified in C.15.]</p> <p><b>Early redemption of the Securities upon occurrence of a Risk Event</b></p> <p>Upon the occurrence of an Acceleration Event following a Risk Event the Issuer will be released from its obligations to redeem the Securities at the Redemption Amount; the Securities will be redeemed at the Acceleration Redemption Amount on the Acceleration Redemption Date s specified under C.15.</p> <p>"<b>Risk Event</b>" means the occurrence of one or more of the following events as determined by the Calculation Agent at any time during the term of the Securities: [Bankruptcy of the Reference Entity][,] [Failure to Pay][,] [,] [Restructuring][,] [Governmental Intervention] [each of] which may occur on or after the issue date and on or prior to the Maturity Date.</p> <p>["<b>Bankruptcy of the Reference Entity</b>" means in relation to the Reference Entity that such entity:</p> <ul style="list-style-type: none"> <li>(a) is dissolved;</li> <li>(b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;</li> <li>(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;</li> <li>(d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof;</li> <li>(e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);</li> <li>(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;</li> </ul>
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	<p>(g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or</p> <p>(h) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g) above (including).]</p> <p><b>"Failure to Pay"</b> means the failure by the Reference Entity to make any payments under the Reference Asset, when and where due, in accordance with the terms of such Reference Asset at the time of such failure.</p> <p><b>["Governmental Intervention"</b> means that, with respect to the Reference Asset, any one or more of the following events occurs as a result of action taken or an announcement made by any authority (including, without limitation, Governmental Authorities) pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Reference Asset:</p> <p>(a) any event which would affect creditors' rights so as to cause:</p> <ul style="list-style-type: none"> <li>(i) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);</li> <li>(ii) a postponement or other deferral of a date or dates for the payment of principal or premium; or</li> <li>(iii) a change in the ranking in priority of payment of the Reference Asset, causing the subordination of such Reference Asset to any other Reference Asset;</li> </ul> <p>(b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Asset;</p> <p>(c) a mandatory cancellation, conversion or exchange; or</p> <p>(d) any event which has an analogous effect to any of the events specified in (a) to (c).]</p> <p><b>["Restructuring"</b> means that, with respect to the Reference Asset any one or more of the following events occurs in a form that (i) binds all holders of the Reference Asset, (ii) is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Reference Asset to bind all holders of the Reference Asset or (iii) is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of the Reference Asset (including, in each case, in respect of bonds only, by way of an exchange), in effect as of the later of the Issue Date and the date as of</p>
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		<p>which the Reference Asset is issued or incurred:</p> <p>(a) a reduction in the amount of principal or premium payable at maturity (including by way of redenomination);</p> <p>(b) a postponement or other deferral of a date or dates for the payment of principal or premium;</p> <p>(c) a change in the ranking in priority of payment of the Reference Asset, causing a subordination of such Reference Asset to any other obligation of the Reference Entity.] ]</p> <p><b>Governing law of the Securities</b></p> <p>The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by German law.</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, <i>pari passu</i> with all other unsecured unsubordinated present and future obligations of the Issuer.</p> <p><b>Limitation of the rights</b></p> <p>The Issuer may [convert the Redemption Amount or] adjust the terms and conditions of the Securities.</p>
C.11	Admission to trading on a regulated market	<p>[Application [has been] [will be] made to the [Luxembourg Stock Exchange] [<i>Insert relevant regulated or other equivalent market(s)</i>] for the Securities to be admitted to trading on the [Luxembourg Stock Exchange's regulated market] [<i>Insert relevant regulated or other equivalent market(s)</i>] [within [<i>Insert period of time</i>] from the Issue Date] [with effect from [<i>Insert expected date</i>]].]</p> <p>[Not applicable. No application for the Securities to be admitted to trading on a regulated or other equivalent market has been made and no such application is intended.]</p>
C.15	Effect of the underlying on the value of the securities	<p>[<i>To be inserted only in the case of several issues:</i></p> <p>The Nominal Amount is specified in the Annex table to this summary.]</p> <p>[<i>To be inserted only in the case of one single issue:</i></p> <p>Nominal Amount<sup>2</sup>: [●]]</p> <p><u>[<i>Product Type 3: In the case of Bond Linked Equity Securities the following applies:</i></u></p> <p>The value of the Securities during their term depends mainly on the Reference Asset and on the price of the Underlying (as defined in C.20).</p> <p>The redemption payment on the Maturity Date (as defined in C.16) depends on both, the Reference Asset and the Underlying. The Reference Asset is pledged to a Trustee for the benefit of the Security Holders.</p> <p>Subject to the occurrence of a Risk Event the "<b>Redemption Amount</b>" at the Maturity Date corresponds to the sum of the Redemption Amount</p>

<sup>2</sup> The Nominal amount shall be not less than 1,000 Euro.

	<p>Component 1 and the Redemption Amount Component 2.</p> <p>The "<b>Redemption Amount Component 1</b>" is equal to the Conditional Minimum Redemption Amount as specified in the Annex to this Summary.</p> <p>The "<b>Redemption Amount Component 2</b>" is an amount in the Specified Currency equal to the Nominal Amount multiplied by i) the difference between the Performance of the Underlying and the Strike Level (as specified in the Annex to this Summary) and ii) the Participation Factor (as specified in the Annex to this Summary). The Performance of the Underlying is equal to the quotient of R (final) (as defined in C.19) and R (initial). [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert definition of R (initial)]</i>]</p> <p>The Redemption Amount Component 2 is no less than zero.</p> <p>[The Redemption Amount Component 2 is no higher than the Maximum Additional Redemption Amount (as specified in the Annex to this Summary).]</p> <p>In the case of the occurrence of a Risk Event the Issuer is released from its obligations to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the "<b>Acceleration Redemption Amount</b>", which is equal to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.</p> <p>The "<b>Acceleration Redemption Amount Component 1</b>" is calculated based on the market value of the defaulted Reference Asset assessed by means of an auction.</p> <p>The "<b>Acceleration Redemption Amount Component 2</b>" corresponds to the market value of the Redemption Amount Component 2 per Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).</p> <p>A "<b>Risk Event</b>" is [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].</p> <p>Upon the occurrence of an Enforcement Event the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders. The proceeds realized from the enforcement of the Reference Asset will be distributed to the Security Holders on a pro rata basis.]</p> <p><u><i>[Product Type 4: In the case of All Time High Bond Linked Equity Securities the following applies:</i></u></p> <p>The value of the Securities during their term depends mainly on the Reference Asset and on the price of the Underlying (as defined in C.20).</p> <p>The redemption payment on the Maturity Date (as defined in C.16) depends on both, the Reference Asset and the Underlying. The Reference Asset is pledged to a Trustee for the benefit of the Security Holders.</p> <p>Subject to the occurrence of a Risk Event the "<b>Redemption Amount</b>" at the Maturity Date corresponds to the sum of the Redemption Amount Component 1 and the Redemption Amount Component 2.</p> <p>The "<b>Redemption Amount Component 1</b>" is equal to the Conditional Minimum Redemption Amount as specified in the Annex to this</p>
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		<p>Summary.</p> <p>The "<b>Redemption Amount Component 2</b>" is an amount in the Specified Currency equal to the Nominal Amount multiplied by the difference (i) between the Performance of the Underlying and (ii) the Strike Level (as specified in the Annex to this Summary), multiplied by the Participation Factor (as specified in the Annex to this Summary), or by the difference (2) between the (i) Best Performance of the Underlying and (ii) the Strike Level, multiplied by the Participation Factor<sub>best</sub> (as specified in the Annex to this Summary), depending on which of these amounts is the higher one.</p> <p>The "<b>Performance of the Underlying</b>" is equal to the quotient of R (final) (as defined in C.19) and R (initial). [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert definition of R (initial)]</i>]. "<b>Best Performance of the Underlying</b>" means the quotient of R (final)<sub>best</sub>, as the numerator, and R (initial), as the denominator.</p> <p>The Redemption Amount Component 2 is no less than zero.</p> <p>[The "<b>Redemption Amount Component 2</b>" is no higher than the Maximum Additional Redemption Amount (as specified in the Annex to this Summary).]</p> <p>In the case of the occurrence of a Risk Event the Issuer is released from its obligations to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the "<b>Acceleration Redemption Amount</b>", which is equal to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.</p> <p>The "<b>Acceleration Redemption Amount Component 1</b>" is calculated based on the market value of the defaulted Reference Asset assessed by means of an auction.</p> <p>The "<b>Acceleration Redemption Amount Component 2</b>" corresponds to the market value of the Redemption Amount Component 2 per Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).</p> <p>[The Redemption Amount Component 2 is no higher than the Maximum Additional Redemption Amount (as specified in the Annex to this Summary).]</p> <p>A "<b>Risk Event</b>" is [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].</p> <p>Upon the occurrence of an Enforcement Event the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders. The proceeds realized from the enforcement of the Reference Asset will be distributed to the Security Holders on a pro rata basis.]</p> <p><u>[Product Type 5: In the case of Cash Collect Bond Linked Equity Securities the following applies:</u></p> <p>The value of the Securities during their term depends mainly on the Reference Asset and on the price of the Underlying (as defined in C.20).</p> <p>The redemption payment under the Securities depends on both the Reference Asset and the Underlying. The Reference Asset is pledged to a</p>
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	<p>Trustee for the benefit of the Security Holders.</p> <p>Subject to the occurrence of a Risk Event the "<b>Redemption Amount</b>" at the Maturity Date corresponds to the Conditional Minimum Redemption Amount (as specified in the Annex to this Summary).</p> <p>[An Additional Amount (k) is paid if the Reference Price (as defined in C.19) on the Observation Date (k) is greater than the Strike [(as 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>" on the respective Observation Date (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the Performance of the Underlying (k). Performance of the Underlying (k) means <math>(R(k) - \text{Strike}) / R(\text{initial})</math>. [The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Annex to this Summary).] [R (initial) is specified in the Annex to this Summary.] [R (initial) means <i>[Insert definition of R (initial)]</i>.] [The Additional Amount (k) is not greater than the Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>In the case of the occurrence of a Risk Event the Issuer is released from its obligations to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the "<b>Acceleration Redemption Amount</b>", which is equal to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.</p> <p>The "<b>Acceleration Redemption Amount Component 1</b>" is calculated based on the market value of the defaulted Reference Asset assessed by means of an auction.</p> <p>The "<b>Acceleration Redemption Amount Component 2</b>" corresponds to the market value of the sum of all Additional Amounts (k) that would have become due after the occurrence of the Acceleration Event as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).</p> <p>A "<b>Risk Event</b>" is [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].</p> <p>Upon the occurrence of an Enforcement Event the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders. The proceeds realized from the enforcement of the Reference Asset will be distributed to the Security Holders on a pro rata basis.]</p> <p><u>[Product Type 6: In the case of Performance Cash Collect Bond Linked Equity Securities the following applies:</u></p> <p>The value of the Securities during their term depends mainly on the Reference Asset and on the price of the Underlying (as defined in C.20).</p> <p>The redemption payment on the Maturity Date (as defined in C.16) depends on both, the Reference Asset and the Underlying. The Reference Asset is pledged to a Trustee for the benefit of the Security Holders.</p> <p>Subject to the occurrence of a Risk Event the "<b>Redemption Amount</b>" at the Maturity Date corresponds to the sum of the Redemption Amount Component 1 and the Redemption Amount Component 2.</p>
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	<p>The "<b>Redemption Amount Component 1</b>" is equal to the Conditional Minimum Redemption Amount (as specified in the Annex to this Summary).</p> <p>The "<b>Redemption Amount Component 2</b>" is an amount in the Specified Currency equal to the Nominal Amount multiplied by i) the Performance of the Underlying and ii) the Final Participation Factor (as specified in the Annex to this Summary). The "<b>Performance of the Underlying</b>" is equal to the difference between (i) the quotient of R (final) (as defined in C.19) as the numerator and R (initial) as the denominator and (ii) the Final Strike Level (as specified in the Annex to this Summary).</p> <p>[R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert definition of R (initial)]</i>]</p> <p>The Redemption Amount Component 2 is no less than zero.</p> <p>[An Additional Amount (k) is paid if the Reference Price (as defined in C.19) on the Observation Date (k) is greater than the Strike.]</p> <p>The "<b>Additional Amount (k)</b>" on the respective Observation Date (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the Performance of the Underlying (k). Performance of the Underlying (k) means <math>(R(k) - \text{Strike}) / R(\text{initial})</math>. [The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Annex to this Summary).] [The Additional Amount (k) is not greater than the Maximum Additional Amount (k) (as specified in the Annex to this Summary).]</p> <p>In the case of the occurrence of a Risk Event the Issuer is released from its obligations to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the "<b>Acceleration Redemption Amount</b>", which is equal to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.</p> <p>The "<b>Acceleration Redemption Amount Component 1</b>" is calculated based on the market value of the defaulted Reference Asset assessed by means of an auction.</p> <p>The "<b>Acceleration Redemption Amount Component 2</b>" corresponds to the market value of the sum of the Redemption Amount Component 2 and all Additional Amounts (k) that would have become due after the occurrence of the Acceleration Event as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).</p> <p>A "<b>Risk Event</b>" is [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].</p> <p>Upon the occurrence of an Enforcement Event the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders. The proceeds realized from the enforcement of the Reference Asset will be distributed to the Security Holders on a pro rata basis.]</p> <p><u>[Product Type 7: In the case of Digital Coupon Bond Linked Equity Securities the following applies:</u></p> <p>The value of the Securities during their term depends mainly on the Reference Asset and on the price of the Underlying (as defined in C.20).</p>
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	<p>The redemption payment under the Securities depends on both the Reference Asset and the Underlying. The Reference Asset is pledged to a Trustee for the benefit of the Security Holders.</p> <p>Subject to the occurrence of a Risk Event the "<b>Redemption Amount</b>" at the Maturity Date corresponds to the Conditional Minimum Redemption Amount (as specified in the Annex to this Summary).</p> <p>An Additional Amount (k) (as specified in the Annex to this Summary) is paid if R (k) is greater than the Strike (as specified in the Annex to this Summary). R(k) is the Reference Price on the Observation Date (k).</p> <p>In the case of the occurrence of a Risk Event the Issuer is released from its obligations to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the "<b>Acceleration Redemption Amount</b>", which is equal to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.</p> <p>The "<b>Acceleration Redemption Amount Component 1</b>" is calculated based on the market value of the defaulted Reference Asset assessed by means of an auction.</p> <p>The "<b>Acceleration Redemption Amount Component 2</b>" corresponds to the market value of the sum of all Additional Amounts (k) that would have become due after the occurrence of the Acceleration Event as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).</p> <p>A "<b>Risk Event</b>" is [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].</p> <p>Upon the occurrence of an Enforcement Event the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders. The proceeds realized from the enforcement of the Reference Asset will be distributed to the Security Holders on a pro rata basis.]</p> <p><u>[Product Type 8: In the case of Twin-Win Bond Linked Equity Securities the following applies:</u></p> <p>The value of the Securities during their term depends mainly on the Reference Asset and on the price of the Underlying (as defined in C.20).</p> <p>The redemption payment on the Maturity Date (as defined in C.16) depends on both, the Reference Asset and the Underlying. The Reference Asset is pledged to a Trustee for the benefit of the Security Holders.</p> <p>Subject to the occurrence of a Risk Event the "<b>Redemption Amount</b>" at the Maturity Date corresponds to the sum of the Redemption Amount Component 1 and the Redemption Amount Component 2.</p> <p>The "<b>Redemption Amount Component 1</b>" is equal to the Conditional Minimum Redemption Amount as specified in the Annex to this Summary.</p> <p>The "<b>Redemption Amount Component 2</b>" is an amount in the Specified Currency calculated as follows:</p> <p>If no Barrier Event has occurred, the Redemption Amount Component 2 is equal to the Nominal Amount multiplied by the absolute difference, multiplied by the Participation Factor, between the Performance of the</p>
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	<p>Underlying and 1.</p> <p>If a Barrier Event has occurred, the Redemption Amount Component 2 shall be equal to zero. Absolute difference means that the amount of the difference is used for the purposes of the rest of the calculation without taking into account any preceding minus sign (-).</p> <p>A "<b>Barrier Event</b>" occurs if [any price of the Underlying reaches or falls below the Barrier during the Barrier Observation Period (as specified in the Annex to this Summary) in the case of continuous observation] [a Reference Price (as defined in C.19) falls below the Barrier (as specified in the Annex to this Summary) on a Barrier Observation Date (as specified in the Annex to this Summary)]. [The Barrier is specified in the Annex to this Summary] ["<b>Barrier</b>" means Barrier Level x R (initial), where the Barrier Level is specified in the Annex to this Summary].</p> <p>The "<b>Performance of the Underlying</b>" is equal to the quotient of R (final) (as defined in C.19) and R (initial). [R (initial) is specified in the Annex to this Summary] [R (initial) means [<i>Insert definition of R (initial)</i>]].</p> <p>[The Redemption Amount Component 2 is no higher than the Maximum Additional Redemption Amount (as specified in the Annex to this Summary).]</p> <p>In the case of the occurrence of a Risk Event the Issuer is released from its obligations to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the "<b>Acceleration Redemption Amount</b>", which is equal to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.</p> <p>The "<b>Acceleration Redemption Amount Component 1</b>" is calculated based on the market value of the defaulted Reference Asset assessed by means of an auction.</p> <p>The "<b>Acceleration Redemption Amount Component 2</b>" corresponds to the market value of the Redemption Amount Component 2 per Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).</p> <p>A "<b>Risk Event</b>" is [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].</p> <p>Upon the occurrence of an Enforcement Event the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders. The proceeds realized from the enforcement of the Reference Asset will be distributed to the Security Holders on a pro rata basis.]</p> <p><u>[Product Type 9: In the case of Win-Win Bond Linked Equity Securities the following applies:</u></p> <p>The value of the Securities during their term depends mainly on the Reference Asset and on the price of the Underlying (as defined in C.20).</p> <p>The redemption payment on the Maturity Date (as defined in C.16) depends on both, the Reference Asset and the Underlying. The Reference Asset is pledged to a Trustee for the benefit of the Security Holders.</p> <p>Subject to the occurrence of a Risk Event the "<b>Redemption Amount</b>" at</p>
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	<p>the Maturity Date corresponds to the sum of the Redemption Amount Component 1 and the Redemption Amount Component 2.</p> <p>The "<b>Redemption Amount Component 1</b>" is equal to the Conditional Minimum Redemption Amount as specified in the Annex to this Summary.</p> <p>The "<b>Redemption Amount Component 2</b>" is equal to the Nominal Amount multiplied by the absolute difference, multiplied by the Participation Factor, between the Performance of the Underlying and 1.</p> <p>Absolute difference means that the amount of the difference is used for the purposes of the rest of the calculation without taking into account any preceding minus sign (-).</p> <p>The "<b>Performance of the Underlying</b>" is equal to the quotient of R (final) (as defined in C.19) and R (initial). [R (initial) is specified in the Annex to this Summary] [R (initial) means <i>[Insert definition of R (initial)]</i>].</p> <p>[The Redemption Amount Component 2 is no higher than the Maximum Additional Redemption Amount (as specified in the Annex to this Summary).]</p> <p>In the case of the occurrence of a Risk Event the Issuer is released from its obligations to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the "<b>Acceleration Redemption Amount</b>", which is equal to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.</p> <p>The "<b>Acceleration Redemption Amount Component 1</b>" is calculated based on the market value of the defaulted Reference Asset assessed by means of an auction.</p> <p>The "<b>Acceleration Redemption Amount Component 2</b>" corresponds to the market value of the Redemption Amount Component 2 per Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).</p> <p>A "<b>Risk Event</b>" is [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].</p> <p>Upon the occurrence of an Enforcement Event the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders. The proceeds realized from the enforcement of the Reference Asset will be distributed to the Security Holders on a pro rata basis.]</p> <p><u><i>[Product Type 10: In the case of Icarus Bond Linked Equity Securities the following applies:</i></u></p> <p>The value of the Securities during their term depends mainly on the Reference Asset and on the price of the Underlying (as defined in C.20).</p> <p>The redemption payment on the Maturity Date (as defined in C.16) depends on both, the Reference Asset and the Underlying. The Reference Asset is pledged to a Trustee for the benefit of the Security Holders.</p> <p>Subject to the occurrence of a Risk Event the "<b>Redemption Amount</b>" at the Maturity Date corresponds to the sum of the Redemption Amount</p>
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	<p>Component 1 and the Redemption Amount Component 2.</p> <p>The "<b>Redemption Amount Component 1</b>" is equal to the Conditional Minimum Redemption Amount as specified in the Annex to this Summary.</p> <p>The "<b>Redemption Amount Component 2</b>" is an amount in the Specified Currency calculated as follows:</p> <p>If no Barrier Event has occurred, the Redemption Amount Component 2 is equal to the Nominal Amount multiplied by the absolute difference, multiplied by the Participation Factor (as specified in the Annex to this Summary), between the Performance of the Underlying and 1.</p> <p>If a Barrier Event has occurred, the Redemption Amount Component 2 is equal to the Bonus Amount (as specified in the Annex to this Summary).</p> <p>Absolute difference means that the amount of the difference is used for the purposes of the rest of the calculation without taking into account any preceding minus sign (-).</p> <p>A "<b>Barrier Event</b>" occurs if [any price of the Underlying reaches or falls below the Barrier during the Barrier Observation Period (as specified in the Annex to this Summary) in the case of continuous observation] [a Reference Price (as defined in C.19) falls below the Barrier (as specified in the Annex to this Summary) on a Barrier Observation Date (as specified in the Annex to this Summary)]. [The Barrier is specified in the Annex to this Summary] ["<b>Barrier</b>" means Barrier Level x R (initial), where the Barrier Level is specified in the Annex to this Summary].</p> <p>The "<b>Performance of the Underlying</b>" is equal to the quotient of R (final) (as defined in C.19) and R (initial). [R (initial) is specified in the Annex to this Summary] [R (initial) means [<i>Insert definition of R (initial)</i>]].</p> <p>In the case of the occurrence of a Risk Event the Issuer is released from its obligations to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the "<b>Acceleration Redemption Amount</b>", which is equal to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.</p> <p>The "<b>Acceleration Redemption Amount Component 1</b>" is calculated based on the market value of the defaulted Reference Asset assessed by means of an auction.</p> <p>The "<b>Acceleration Redemption Amount Component 2</b>" corresponds to the market value of the Redemption Amount Component 2 per Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).</p> <p>A "<b>Risk Event</b>" is [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].</p> <p>Upon the occurrence of an Enforcement Event the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders. The proceeds realized from the enforcement of the Reference Asset will be distributed to the Security Holders on a pro rata basis.]</p>
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C.16	The expiration or maturity date of the derivative securities – the exercise date or final reference date	<p>[The Securities are redeemed on [●]((the "<b>Settlement Date</b>"))].</p> <p>["<b>Final Observation Date[s]</b>" [,]"<b>First Day of the Best-out Period</b>"]["<b>First Day of the Worst-out Period</b>"] and the "<b>Maturity Date</b>" [are][is] specified in the Annex to this Summary.] <u>[In the case of Securities with a Best-out feature, the following applies:</u></p> <p>"<b>Best-out Period</b>" means [Insert relevant day(s)] from the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]</p> <p><u>[In the case of Securities with a Worst-out feature, the following applies:</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	Settlement procedure of the securities	<p>All payments must be made to [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 "<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 Clearing System].</p>
C.18	Description of how any return on derivative securities takes place	<p>[Payment of the Redemption Amount to each relevant Security Holder on the [Settlement Date] [Maturity Date].]</p>
C.19	Final reference price of the underlying	<p>[Not applicable. There is no exercise price or final reference price.]</p> <p><u>[In the case of Securities with a final Reference Price observation, 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.]</p> <p><u>[In the case of Securities with a final average observation, the following applies:</u></p> <p>"<b>R (final)</b>" means the equally weighted average (arithmetic average) of the Reference Prices (as defined in Annex to this Summary), specified on the Final Observation Dates (as defined in C.16).]</p> <p><u>[In the case of Securities with a [Best-out] [Worst-out] observation, the following applies:</u></p> <p>"<b>R (final)</b>" means the [highest][lowest] Reference Price (as defined in Annex to this Summary) [on] [each of the Final Observation Dates] [each relevant day [between the First Day of the [Best][Worst]-out-Period (including) (as specified in the Annex to this Summary) and the Final Observation Dates (including)]] [during the Best-out Period]].]</p> <p><u>[In the case of All Time High [Cap] Bond Linked Equity Securities, the</u></p>

		<p><u>following applies:</u></p> <p>"<b>R (final)<sub>best</sub></b>" means the highest Reference Price [of the Reference Prices determined on each of the Final Observation Dates] [of the Reference Prices determined on each Relevant Observation Date (final) between the First Day of the Best out-Period (inclusive) and the [last] Final Observation Date (inclusive)]. [Relevant Observation Date (final) is [insert definition of Relevant Observation Date (final)].]</p>
C.20	Type of the underlying and description where information on the underlying can be found	<p>The Securities are linked to a bond issued by [●] ([ISIN: [●]][<i>Insert alternative securities identification number</i>]) denominated in [<i>Insert reference currency</i>] as the Reference Asset (the "<b>Reference Asset</b>").</p> <p>[Descriptions of the Underlying are specified in 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>

## D. RISKS

D.2	Key information on the key risks that are specific to the Issuer	<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 credit exposures; (vi) Risks from exposures to sovereigns / public sector.</li> <li>• <b>Market Risk</b> (i) Risk of potential losses that can arise in response to adverse changes in market prices, other price-influencing parameters or trading-related events; (ii) Risk for trading and banking books from a deterioration in market conditions; (iii) Interest rate and foreign currency risk.</li> <li>• <b>Liquidity Risk</b> (i) Risk that the HVB Group will not be able to meet its payment obligations on time or in full; (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 inadequate or failed internal processes, people and systems, as well as from external events; (ii) IT risks; (iii) Compliance Risk; (iv) Legal and tax risks.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Business Risk</li> </ul> <p>Risks of losses arising from unexpected negative changes in the business volume and/or margins.</p> <ul style="list-style-type: none"> <li>• Real estate Risk</li> </ul> <p>Risk of losses resulting from changes in the fair value of the real estate portfolio of HVB Group.</p> <ul style="list-style-type: none"> <li>• Financial investment risk</li> </ul> <p>Risk of decreases in the value of the investment portfolio of the HVB Group.</p> <ul style="list-style-type: none"> <li>• Reputational Risk</li> </ul> <p>Risk of a negative effect on the income statement caused by adverse reactions by stakeholders due to a changed perception of HVB group.</p> <ul style="list-style-type: none"> <li>• Strategic Risk</li> </ul> <p>(i) Risk that results from management either not recognising or not correctly assessing significant developments or trends in the HVB Group's environment; (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.</p> <ul style="list-style-type: none"> <li>• Regulatory Risks</li> </ul> <p>(i) Risks arising from changes to the regulatory and statutory environment of HVB Group; (ii) 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 HVB Group.</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 and HVB Group could be negatively affected in case of a poor stress test performance by HVB, HVB Group, 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 and 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>
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		<p>HVB and 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.6	<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 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 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 Reference Asset-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.</p> <p>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).</p> <p>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 Bond Linked Equity Securities</i></b></p> <p><b><i>[Risks arising from the fact that the redemption amounts payable under</i></b></p>

*the Securities is linked to amounts payable to a holder of the Reference Asset*

Due to the fact that any amounts payable under the Securities are determined by direct reference to the amount payable to the holder of the Reference Asset as redemption, the Issuer's payment obligations are limited to the amounts which a holder of the Reference Asset actually receives under the Reference Asset.]

*Risks related to an early redemption and Risk Events*

If a Risk Event occurs, as specified in the Final Terms, the Securities may be early redeemed. The Acceleration Redemption Amount may be below the Issue Price or Purchase Price in which case the Security Holder would suffer a partial or total loss of his invested capital.

*Risks arising from the influence of the Reference Asset on the market value of the Securities*

The market value of the Securities and the amounts payable under the Securities significantly depend on the value of the Reference Asset and/or the payments made thereunder. It is not possible to predict how the Reference Asset and/or the payments made thereunder develop in the future. Additionally, the market value of the Securities will be affected by a number of Reference Asset-related factors.

*Redemption of the Securities may be less advantageous than direct investment in Reference Assets*

Cash settlement amounts on the Securities on redemption may be less than the recovery which would be ultimately realised by a holder of Reference Assets of the Reference Entity if redemption amounts are not received by a holder of the Reference Asset prior to the Maturity Date under the Securities.

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

The entering or the liquidation of hedging transactions by the Issuer may, in individual cases, adversely affect the price of the Reference Asset and/or payments to be made thereunder.

*Risks related to benchmarks*

The underlying reference rate may qualify as a benchmark within the meaning of Regulation (EU) 2016/1011. Potential investors should be aware that they face the risk that any changes to the relevant benchmark may have a material adverse effect on the value of and the amount payable under the Securities.

*Risks related to the Reference Asset Linked redemption component*

The Conditional Minimum Redemption Amount will only be paid if a holder of the Reference Asset receives the amount due under the Reference Asset within a certain time period preceding the Maturity Date.

In case of early redemption following a Risk Event the amount payable will be calculated by reference to the remaining market value of the Reference Asset and may even be zero.

	<p><i>Risks related to a Pledge and Trust Agreement</i></p> <p>In case of enforcement of the Reference Asset by the Trustee following a failure to pay or insolvency of the Issuer the enforcement amount to be paid to the Security Holders may be substantially less than the Conditional Minimum Redemption Amount.</p> <p><b><i>Risks related to the underlying-linked redemption component</i></b></p> <p>(i) Risks arising from the influence of the Underlying on the market value of the Securities; (ii) risks arising from absent ongoing distributions; (iii) risks arising from the fact that the valuation of the Underlying occurs only at a specified date or point in time; (iv) risks arising from the impact of thresholds or limits; (v) risks in relation to a Participation Factor; (vi) risks relating to a Strike Level, Final Strike Level and/or a Strike; (vii) risks due to a limitation of potential returns to a Maximum Additional Redemption Amount or due to other limitations; (viii) risk of postponement or alternative provisions for the valuation of the Underlying; (ix) risks in relation to Adjustment Events; (x) risk of Market Disruptions; (xi) risk of regulatory consequences to investors when investing in Underlying-linked Securities; (xii) risks arising from negative effects of hedging arrangements by the Issuer on the Securities; (xiii) risks arising from the Issuer's Conversion Right.</p> <ul style="list-style-type: none"> <li>• <b>Key risks related to the Reference Asset</b></li> </ul> <p><b><i>General risks</i></b></p> <p><i>No rights of ownership of the Underlying or its Components</i></p> <p>There is no obligation of the Issuer to invest the issuance proceeds in the Reference Asset for the benefit of the Security Holders. The Reference Asset 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 or other rights) with respect to the Reference Asset and will neither have any recourse rights against the Reference Entity.</p> <p><b><i>Key risks related to bonds</i></b></p> <p>The performance of bond-linked Securities primarily depends on the value of the Reference Assets, the payments made thereunder, the creditworthiness of the Reference Entity and its ability and willingness to perform its obligations under the Reference Assets or any other obligation, which may be subject to certain factors.</p> <ul style="list-style-type: none"> <li>• <b>Key risks related to the Underlying or its components</b></li> </ul> <p><b><i>General risks</i></b></p> <p>(i) Risks arising from the volatility of the value of the Underlying and risk due to a short history; (ii) risks arising from Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014; (iii) no rights of ownership in the Underlying or its constituents; (iv) risks associated with Underlyings subject to emerging</p>
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		<p>market jurisdictions.</p> <p><b>[Key risks related to shares]</b></p> <p>(i) Similar risks to a direct investment in shares; (ii) investors have no shareholder rights; (iii) risks associated with ADRs/RDRs]</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>[Key risks related to fund shares]</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 obligation to forward distributions; (iv) 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 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</p>
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		<p>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>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	Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks	Not applicable; The Issuer is not bound regarding the use of the issue and offer proceeds.
E.3	Description of the terms and conditions of the offer	<p>[Day of the first public offer <i>[Insert]</i> (the "<b>Issue Date</b>").]</p> <p>[The Securities are <i>[initially]</i> offered during a Subscription Period[, and continuously offered thereafter]. Subscription Period: <i>[Insert start date of the subscription period]</i> to <i>[Insert end date of the subscription period]</i>[(<i>both dates included</i>)].]</p>

		<p>[A public offer will be made in [Luxembourg] [,] [and] [Poland] [,] [and] [Czech Republic] [,] [and] [Slovakia] [,] [and] [Bulgaria] [,] [and] [Croatia] [and] [Hungary].]</p> <p>[The smallest transferable [unit][lot][amount] is <i>[Insert]</i>.]</p> <p>[The smallest tradable [unit][lot][amount] 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 [a private placement] [a public offer]] [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 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.]</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>[No public offer occurs. [The Securities shall be admitted to trading on an organised market.]]</p> <p>[Application to listing [will be] [has been] made as of <i>[Insert expected date]</i> on the following markets: <i>[Insert relevant market(s)]</i>.]</p> <p>[The Securities are already traded on the following markets: <i>[Insert relevant market(s)]</i>.]</p>
E.4	Any interest that is material to the issue/offer including conflicting interest	<p>Any distributors and/or its affiliates may be customers of, and borrowers from the Issuer and its 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 and its affiliates in the ordinary course of business.</p> <p>Besides, conflicts of interest in relation to the Issuer 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> <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 relevant 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, any relevant distributor and any of its affiliates may be involved in transactions on their own account or on the account of their clients, which affect the liquidity or the value of the Reference Assets.</li> <li>• The Issuer, any distributor and their affiliates may issue securities in relation to the Reference Asset and/or the Reference Entity on</li> </ul>

		<p>which already other securities have been issued.</p> <ul style="list-style-type: none"> <li>• The Issuer, any distributor and any of their affiliates may possess or obtain material information about the Reference Asset and/or the Reference Entity (including publicly not accessible information) in connection with its business activities or otherwise.</li> <li>• The Issuer, any distributor and any of their affiliates may engage in business activities with the Reference Entity, its affiliates, competitors or guarantors.</li> <li>• The Issuer, any distributor and any of their affiliates may also act as a member of a syndicate of banks, as financial advisor or as bank of the Reference Entity or a sponsor of the Reference Asset.</li> <li>• [The Issuer or one of its affiliates acts as index sponsor, index calculation agent, index advisor or index committee.]</li> <li>• [The Issuer or one of its affiliates acts as an investment advisor or manager of a fund used as Underlying.]</li> </ul>
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 [<i>●</i>]% may be received by the distributors] [<i>Insert details</i>]][ [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)]	[Final Observation Date[s]] [(C.16)] [(C.19)]	[[Maturity Date]] [(C.8)] [(C.16)]	[Conditional Minimum Amount] [(C.15)]	[k]	[Maximum Additional Redemption Amount] (C.15)]	[Underlying] [(C.15)] [(C.20)]	[[Website]] [(C.20)]	[Strike Level] [(C.15)]	[Additional Amount Payment Dates (k)] [(C.8)] [(C.15)] [(C.18)]	[Participation Factor] [(C.15)]	[Participation Factor <sub>best</sub> ] [(C.15)]	[Final Participation Factor] (C.15)]	[Observation Date [(k)](l)] [(C.15)] [(C.16)] [(C.19)]	[Final Observation Date[s]] (C.19)]
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert name of Underlying and ISIN]	[Insert]	[Insert name of Underlying and ISIN]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]
[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert name of Underlying and ISIN]	[Insert]	[Insert name of Underlying and ISIN]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]	[Insert]

## RISK FACTORS

*The following is a disclosure of risk factors that, in the opinion of UniCredit Bank AG as issuer (the "Issuer"), are material with respect to the Issuer 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 for the purchase of the Securities (including any Incidental Costs) (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 Reference Asset or the Underlying) or **total loss** (e.g. in the case of a substantially unfavourable performance of the Reference Asset or of an insolvency of the Issuer) of his investment.*

*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.*

*The Issuer believes that the factors described below represent the material risks inherent in investing in Securities issued under this Base Prospectus, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities may occur for other reasons. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its 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 21 April 2017 (the "Registration Document"), the information of which is incorporated herein by reference, (c) all documents the information of which is incorporated in the Base Prospectus by reference, and (d) 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 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.**

**POTENTIAL INVESTORS SHOULD BE AWARE THAT THE SECURITIES ARE NOT CAPITAL PROTECTED AND MAY DECLINE IN VALUE AND THAT SECURITY HOLDERS MAY SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT IN THE SECURITIES.**

## A. RISKS RELATED TO THE ISSUER

The risk factors related to the Issuer included in the Registration Document of UniCredit Bank AG dated 21 April 2017 are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 331 et seq.

Potential investors should consider the information within the section entitled "Risk Factors" of the Registration Document. This section contains information on risks which may affect the assets, liabilities and the financial position of the Issuer and its ability to fulfil its obligations arising from the Securities.

## B. RISKS RELATED TO POTENTIAL CONFLICTS OF INTEREST

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

The Issuer, a financial institution or a financial intermediary with whom the Issuer has entered into a distribution agreement (the "**Distributor**") 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 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, any of its 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 substantially be influenced. 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 or its affiliates 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.a. exercising reasonable discretion (§ 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 the Reference Asset Linked Securities and the Bond Linked Equity Securities***

Reference Asset Linked Securities are linked to a Reference Asset. Bond Linked Equity Securities are simultaneously linked to both a Reference Asset and an Underlying. 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 its affiliates may from time to time, without regard to the interests of the Security Holders, participate in transactions involving bonds, loans, shares or other securities, fund shares, futures 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 Reference Asset and or the Underlying as the case may be, in particular, following hedging transactions in a Reference Asset and or the Underlying as the case may be, with an already restricted liquidity.

### *Potential conflicts of interest related to the issuance of additional securities linked to the same Reference Asset and or Underlying*

The Issuer, any Distributor and any of its affiliates may issue securities with respect to a Reference Asset and or Underlying on which securities already have been issued. An introduction of such new competing products may negatively affect the market value of the Securities.

### *Potential conflicts of interest related to Reference Asset-related information and or 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 Reference Asset-related information and or 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 the Reference Asset 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 Reference Asset and or the Underlying.

### *Potential conflicts of interest related to other functions of the Issuer*

The Issuer, 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 the Reference Entity or another issuer prior or after the issuance of the Securities. 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 Reference Asset and or the Underlying.

## C. 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 and may 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 applications 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.

Neither the Issuer nor any Distributor or any of its 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 Securities at an adequate price prior to their redemption. Even in the case of an existing Secondary Market it cannot be excluded that the Security Holder may not be in a position to dispose of the Securities in the case of an unfavourable development of the Reference Asset or of a Currency Exchange Rate or the Underlying, e.g. if such development occurs outside of the trading hours of the Securities.

#### *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 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 be suffering a loss. Costs associated with the sale of the Securities in the Secondary Market (e.g. order fees or trading venue fees) may in addition increase the loss.

If the Issuer acts as the only Market Maker or if there is no Market Maker, the Secondary Market may become even more limited. The more limited the Secondary Market is, the more difficult it may be for Security Holders to realise the value of the Securities prior to the settlement of the Securities. Therefore, a certain risk does exist that Security Holders have to hold the Securities until maturity or early redemption.

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

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

The market value, at which a Security Holder will be able to sell the Securities, may be substantially below the Issue Price. The Issuer does not guarantee that the spread between purchase and selling prices lies within a certain range or remains constant. If the Security Holder sells the Securities at a time where the market value of the Securities is below the Issue Price, it will suffer a loss.

In addition, changes in the composition of the member states of the European Union (EU), e.g. a possible exit of Great Britain according to the referendum of 23 June 2016, may have a negative impact on the stability, the existence and the functioning of the EU and its institutions. Uncertainties and possible economic burdens resulting from such attempts may arise not only in the relevant member states, have significant impact on the economic development of single member states and the EU as a whole and result in distortions as well as in increased volatilities in the financial markets. These factors may be mutually reinforcing or neutralising.

### *Risks 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 a 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 industrialized countries (the "Industrialized Countries"). In the case 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 conclude transactions only at a market price that is disadvantageous to them.

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

#### *Credit risk of the Issuer in case of Reference Asset Linked Securities*

The Securities constitute unsecured obligations of the Issuer vis-a-vis the Security Holders. Any person who purchases the Securities therefore relies on the creditworthiness of the Issuer and has, in relation to his 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 a 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 case of realization of the credit risk of the Issuer the Security Holder may sustain a total loss of his capital.**

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

There is the 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, *inter alia*, that 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 (e.g. 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; and
- 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).

*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 Reference Asset and the Reference Entity, if applicable, 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 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**") and the law for the recovery and resolution of institutions and financial groups (German Recovery and Resolution Act, *Sanierungs- und Abwicklungsgesetz*) implementing the Resolution Directive into national German law contain 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 of 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 have been mainly applicable since 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 January 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.

#### *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 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 (interest, redemption, handling fee) 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 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 (the "**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 investors 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 to, 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 ("FATCA")*

Payments on the Securities may be subject to a US withholding tax, e.g., pursuant to the US Foreign Account Tax Compliance Act ("FATCA"). Should, for example as a consequence of a non-compliance with certain certification, information reporting requirements with respect to its US accounts or other specified requirements by the Issuer, a withholding of taxes on interest, capital or other payments under the Securities occur in connection with such withholding taxation, then neither the Issuer, nor the Paying Agent or any other person will be obliged to pay a compensation to the Security Holder. As a consequence, the Security Holder may receive a lower amount than without any such withholding or deduction.

#### *Risks regarding US withholding taxes*

For the Security Holder there is the risk that payments on the Securities may be subject to US withholding tax pursuant to section 871(m) of the US Internal Revenue Code or the US withholding tax pursuant to the so-called Qualified Intermediary Regime and/or the Foreign Account Tax Compliance Act ("FATCA").

Section 871(m) of the US Internal Revenue Code ("IRC") and the provisions issued thereunder stipulate that for certain financial instruments (such as for the Securities) a withholding tax (of up to 30% depending on the application of income tax treaties) shall be imposed if the payment (or deemed payment) on the financial instruments is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States. Pursuant to these US legal provisions, certain payments (or deemed payments) under certain equity-linked instruments that refer to the performance of US equities or certain indices that contain US equities, as an Underlying or a Basket Component, shall be treated as dividend equivalents ("**Dividend Equivalents**") and shall be subject to US withholding tax of 30% (or a lower income tax treaties rate).

This tax liability shall apply even if pursuant to the terms and conditions of the Securities no actual dividend-related amount is paid or a dividend-related adjustment is made and thus investors can only determine with difficulty or not at all any connection to the payments to be made in respect of the Securities.

The withholding tax may be withheld by the Issuer or the custodian of the Security Holder. In withholding this tax, the Issuer will regularly apply the general tax rate of 30% to the payments subject to US provisions (or deemed payments) and not any lower tax rate pursuant to any potentially applicable double taxation agreements. In such case, an investor's individual tax situation can therefore not be taken into account. A double taxation may occur in relation to payments made under the Securities.

The determination made by the Issuer or the custodian of the Security Holder of whether the Securities are subject to this withholding tax is binding for the Security Holder. However, it cannot be excluded that the United States Internal Revenue Service (the "**IRS**") comes to a different assessment which may be relevant. The rules of section 871(m) of the IRC require complex calculations in respect of the Securities that refer to US equities and application of these rules to a specific issuance of Securities issue may be uncertain. Consequently, the IRS may determine they are to be applied even if the Issuer or the custodian of the Security Holder initially assumed the rules would not apply. There is a risk in such case that Security Holder is nonetheless subject to withholding tax.

There is also the risk that section 871(m) of the IRC must also be applied to Securities that were not initially subject to withholding tax. This case could arise in particular if the Securities' economic parameters change such that the Securities are in fact subject to tax liability and the Issuer continues to issue and sell these Securities.

**The Issuer or the custodian of the Security Holder is entitled to deduct from payments made under the Securities any withholding tax accrued in relation to payments made under the Securities.** The Issuer and the custodian of the Security Holder are not obliged to offset any withholding tax pursuant to section 871(m) of the IRC on interest, capital or other payments to the Security Holder by paying an additional amount. Security Holders will receive smaller payments in such case than they would have received without withholding tax imposed. In a worst case payments made under the Securities may hereby be reduced to zero.

Payments on the Securities may be subject to a US withholding tax pursuant to the Qualified Intermediary ("**QI**") and/or FATCA rules. Should, for example as a consequence of a non-compliance with certain certification, information reporting requirements with respect to its US accounts, other specified requirements by the Issuer or the documentation requirements by the Security Holder, a withholding of taxes on interest, capital or other payments under the Securities occur in connection with such withholding taxation, then neither the Issuer, nor the Paying Agent or any other person will be obliged to pay a compensation to the Security Holder. As a consequence, the Security Holder may receive a lower amount than without any such withholding or deduction.

#### *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, all relevant dates 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, including ongoing payments, if specified in the relevant Final Terms (see also *Risks arising from missing ongoing payments*), 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 Reference Asset Linked Securities**

Amounts to be distributed under the Securities will be determined by reference to a Reference Asset (the "**Reference Asset 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 Reference Asset.

*Risks arising from the fact that the interest or redemption amounts payable under the Securities is linked to amounts payable to a holder of the Reference Asset*

Any Scheduled Reference Asset Interest Amount or Reference Asset Interest Amount and, where cash settlement applies, any Scheduled Reference Asset Redemption Amount or Reference Asset Redemption Amount (each as applicable and as specified in the Final Terms) payable is determined by direct reference to the amounts payable to the holder of the Reference Asset as interest or redemption (as applicable) under the Reference Asset adjusted by any adjustment factor. In all cases, the Issuer's payment obligations are limited to the amounts which a holder of the Reference Asset actually receives under the Reference Asset (which will be reduced by all costs incurred in relation to the Reference Asset) within a certain time period preceding the payment date under the Securities. The Security Holder accordingly assumes any credit risk associated with the Reference Entity.

In purchasing these Securities, Security Holders will accordingly have credit exposure to both the Issuer and the relevant Reference Entity because an investment in the Securities bears credit risk similar to providing credit to the relevant Reference Entity.

If for any reason, the amounts payable under the Reference Asset are lower than expected, the Security Holder's return under the Securities will also be reduced and might be below the Issue Price or Purchase Price in which case the **Security Holder would suffer a partial or total loss of his invested capital.**

*Risks related to a Specified Redemption Amount*

If the Final Terms provide for a Specified Redemption Amount on the Settlement Date of the Securities, such payment will not be made if the Securities are terminated, redeemed or sold before their Settlement Date. Then, the actual payment or selling price of the Securities may be significantly lower than Specified Redemption Amount or may even be zero and the Security Holder may lose all or a substantial portion of the amount invested.

*Risks arising from the influence of the Reference Asset on the market value of the Securities*

The market value of the Securities as well as the amounts distributable under the Securities primarily depend on the Reference Asset and/or the payments made thereunder, as the case may be. It is not possible to predict how the Reference Asset and/or the payments made thereunder 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 of the Reference Asset and/or the payments made thereunder. The Reference Asset and/or the payments made thereunder 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 value of the Reference Asset and/or the expected payments made thereunder 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 value of the Reference Asset and/or the expected payments thereunder may increase.

In addition, the market value of the Securities *inter alia* is influenced by the variations in the intensity of the fluctuation of values (volatility) of the Reference Asset and changes in the expected and actual payments under the Reference Asset. Moreover, even the failure of an expected change in the value of the Reference Asset may adversely affect the market value of the Securities. These factors can reinforce or negate each other.

#### *Risk related to a Potential Risk Event*

The payment of any Interest Amount due on an Interest Payment Date or the payment of the Redemption Amount due on the Settlement Date may be postponed following to the occurrence of a Potential Risk Event, as specified in the Final Terms. No interest will be paid on the deferred amounts during the period from the scheduled payment date and the actual payment date.

#### *Risks related to an early redemption and Risk Events*

If a Risk Event is specified in the Final Terms the Securities may be early redeemed by payment of an Acceleration Redemption Amount, as specified in the Final Terms, if a Risk Event (e.g., a Credit Event in respect of the Reference Entity) occurs. The Acceleration Redemption Amount may be below the Issue Price or Purchase Price in which case the **Security Holder would suffer a partial or total loss of his invested capital** even if the Securities provide for Specified Redemption Amount (as described in *Risks arising from valuation of the Reference Asset in case of an early redemption arising due to a Risk Event*). Interest ceases to be paid.

A "**Risk Event**" will be specified in the Final Terms and may include any of, or several of, the following:

- a partial or whole unscheduled redemption (including a substitution of the Reference Asset for cash, rights or other assets) (an "**Unscheduled Redemption**"),
- a failure of the Reference Entity to pay cash flows in respect of the Reference Asset corresponding to those scheduled (a "**Cashflow Discrepancy**"),
- the calculation agent determines that an event has occurred causing the result of the market value of the Reference Asset expressed as a percentage of its nominal amount (as specified in the Final Terms) minus the scheduled cash flow value to be equal to or lower than a specified threshold (a "**Reference Asset Value Event**"),
- a bankruptcy event occurs concerning the custodian of any Reference Asset or such custodian fails to perform (a "**Custody Event**"),
- a bankruptcy, failure to pay, governmental intervention, obligation default, obligation acceleration, repudiation/moratorium or a restructuring event (as specified in the Final Terms) occurs in respect of the Reference Entity and a relevant Reference Asset (a "**Credit Event**").

If a Risk Event occurs, the Issuer shall redeem the Securities early. If the occurrence of a Credit Event or such other Risk Event results in the early termination of hedging transactions which were entered into by the Issuer in connection with the Securities, e.g. any currency risk hedging transactions or interest rate swaps, the Security Holders may suffer losses because the costs for unwinding the hedging transactions may be borne by the Security Holders as specified in the Final Terms.

As a consequence of the process in relation to an early redemption payment under the Securities may even be postponed compared to the scheduled payment dates. No interest will be paid on the deferred amounts during the period from the scheduled payment date and the actual payment date.

*Risks arising from valuation of the Reference Asset in case of an early redemption arising due to a Risk Event*

In the case of an early redemption following a Risk Event, and if the Final Terms set out cash settlement as applicable, the amounts payable under the Securities will be calculated by reference to the sale price of the Reference Asset on their respective sale dates as received by the calculation agent, minus all costs incurred in relation to the Reference Asset (and, where specified in the Final Terms, adjusted by an adjustment amount value) (the "**Acceleration Redemption Amount**"). **Such early redemption amount may be substantially less than any expected redemption amount under the Securities at maturity and may be zero.**

Further, in the case of early redemption and cash settlement, the Security Holder will only receive an amount determined with reference to the sale proceeds actually determined by the calculation agent concerning the Reference Asset. This means that the Security Holder is exposed to any credit risk associated with the purchaser, i.e. the winning dealer of the auction of the Reference Asset. If no firm bid quotation is provided concerning the sale of the Reference Asset, the sale proceeds will be zero and the return for the Security Holder will be zero.

In the case of early redemption and physical settlement, no allowance will be made for any preceding higher value of the Reference Asset and the Reference Asset will simply be delivered on the applicable settlement date along with any supplemental cash amount.

*Risks relating to a Leverage Factor*

The Final Terms may provide a leverage factor (the "**Leverage Factor**"). As a consequence, the effects of Risk Events on the Securities may be leveraged, meaning that the loss in value of the Reference Asset will be multiplied by the Leverage Factor when calculating the Acceleration Redemption Amount or the Acceleration Delivery Amount, as the case may be. The loss to be borne by the Security Holder will be significantly increased by the effects of any such leverage.

*Redemption of the Securities may be less advantageous than direct investment in Reference Assets*

Cash settlement amounts on the Securities on redemption may be less than the recovery which would be ultimately realised by a holder of Reference Assets of the Reference Entity if redemption amounts are not received by a holder of the Reference Asset prior to the Settlement Date under the Securities.

Cash settlement on the Securities on early redemption will reflect auction settlement proceeds and such payments may be less than the recovery which would ultimately be realised by a holder of Reference Assets of the respective Reference Entity if the purchase price received by the Calculation Agent during the auction process is low or no firm bids for the Reference Asset are obtained.

*Currency and Currency Exchange Rate risk with respect to the Reference Asset*

If the Reference Asset is denominated in a currency other than the Specified Currency, 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. In such case the investor may incur losses on interest or principal payments due to currency conversions necessary or currency fluctuations.

Further, if a FX Disruption Event is specified in the Final Terms as an applicable risk event, and if it is impossible or unreasonable for the Issuer to convert the acceleration redemption amount due to such an event affecting either the reference currency or the specified currency, the Issuer shall endeavour to redeem the Securities by payment of the redemption amount in the reference currency. If it is subsequently impossible or illegal for the Issuer to so deliver the Reference Asset, then all obligations of the Issuer shall cease and the Issuer is under no further payment or delivery obligations. The Security Holder will in this case suffer a total loss.

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

The Issuer may use a portion of or the total proceeds from the sale of the Securities on transactions to hedge against price risks of the Issuer resulting from the Securities. In such case, the Issuer or any of its affiliates may conclude transactions that correspond to the Reference Assets under the Securities or any other obligations of the Issuer. 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. The entering or the liquidation of hedging transactions by the Issuer may, in individual cases, adversely affect the price of the Reference Asset and/or payments to be made thereunder.

On or prior to any early redemption, the Issuer or any of its affiliates may take the steps necessary to terminate any hedging arrangements. It cannot, however, be ruled out that the sale price of the Reference Asset in the case of an early redemption following a risk event 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 on early redemption.

### *Risks related to Physical Settlement*

The Final Terms may specify that the Securities will be redeemed at the settlement date of the Securities either by payment of the Redemption Amount or by delivery of a quantity of the Reference Asset (the "**Physical Settlement**"). In this case, the relevant method of settlement depends on the conditions specified in the Final Terms. Potential investors should note that they will be required to accept delivery of the Reference Asset if Physical Settlement is specified as applicable in the Final Terms and should ensure that they have the legal capacity to receive such Reference Asset on purchasing the Securities.

Investors should also be aware that, in certain circumstances, where the Issuer is obliged to physically deliver a Reference Asset on redemption, the Issuer may elect instead to redeem such Security by way of payment of a cash amount should it be impossible or commercially impracticable to deliver the Reference Asset.

Security Holders are not entitled and the Issuer is not obliged to execute any rights from the Reference Asset to be delivered until they are transferred to the Security Holder.

The value of the Reference Asset may continue to develop negatively until the transfer and only the Security Holder bears the risk of such value 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 Reference Asset, have to be borne by the respective Security Holder. Furthermore, upon sale of the Reference Asset 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 Reference Asset 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 Reference Asset delivered may be subject to selling and transfer restrictions or may not be liquid for other reasons.

The Reference Asset 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 Reference Asset gets lost or is destroyed during its delivery to the Security Holders.

### *Risks relating to fixed rate Securities*

Potential investors in interest-bearing Securities at a fixed rate ("**Fixed-Rate 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 ("**Floating-Rate 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 related to benchmarks*

The London Interbank Offered Rate (LIBOR), the Euro Interbank Offered Rate (EURIBOR), the Moscow Prime Offered Rate (MosPrime) and comparable indices may be used as a reference interest rate, also known as benchmarks, with respect to a floating interest rate payable under the Securities. These benchmarks may qualify as a benchmark (the "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which most provisions will apply from 1 January 2018. According to the Benchmark Regulation, a Benchmark could not be used as such if its administrator

does not obtain authorisation or does not register or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision or is not "endorsed" for such purpose. Consequently, it might not be possible to further utilise a Benchmark as reference interest rate of the Securities. In such event, depending on the particular Benchmark and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.

Any changes to a Benchmark as a result of the Benchmark Regulation could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with the Benchmark Regulation. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks, adversely affect the performance of a Benchmark or lead to the disappearance of certain Benchmarks. Potential investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under 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 favorable development of the Reference Rate, and thus, his potential return may be limited.

#### **4. Risks related to Bond Linked Equity Securities**

Bond Linked Equity Securities are securities whose redemption depends on two components: i) the Reference Asset and ii) the Underlying. Any investment in Bond Linked Equity Securities is associated with the following risks related to its both redemption components: the Reference Asset-linked redemption component and the Underlying-linked redemption component.

#### *Risks related to the Reference Asset-linked redemption component*

The Issuer's payment obligations are limited to the amounts which a holder of the Reference Asset actually receives under the Reference asset within a certain period preceding the payment date under the Securities. The minimum redemption amount under the Bond-linked Equity Securities (the "**Conditional Minimum Redemption Amount**") will only be paid if a holder of the Reference Asset actually receives the amount due under the Reference Asset (which will be reduced by all costs incurred in relation to the Reference Asset) within a certain time period preceding the Securities Maturity Date.

The Securities are associated with the risk of an early redemption following the occurrence of a Risk Event.

A Risk Event is a credit event in respect of the Reference Entity, the Reference Asset or any of the Reference Entity's obligations (either directly or as provider of a guarantee). The applicable "**Risk Event**" will be specified in the Final Terms and may include any of, or several of, the following:

Bankruptcy, Failure to Pay, Governmental Intervention or Restructuring.

"**Bankruptcy of the Reference Entity**" means in relation to the Reference Entity that such entity:

- (a) is dissolved;
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;

- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof;
- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or
- (h) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g) above (including).

**"Failure to Pay"** means the failure by the Reference Entity to make any payments under the Reference Asset, when and where due, in accordance with the terms of such Reference Asset at the time of such failure.

**"Governmental Intervention"** means that, with respect to the Reference Asset, any one or more of the following events occurs as a result of action taken or an announcement made by any authority (including, without limitation, Governmental Authorities) pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Reference Asset:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (ii) a postponement or other deferral of a date or dates for the payment of principal or premium; or
  - (iii) a change in the ranking in priority of payment of the Reference Asset, causing the subordination of such Reference Asset to any other Reference Asset;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Asset;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in (a) to (c).

**"Restructuring"** means that, with respect to the Reference Asset any one or more of the following

events occurs in a form that (i) binds all holders of the Reference Asset, (ii) is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Reference Asset to bind all holders of the Reference Asset or (iii) is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of the Reference Asset (including, in each case, in respect of bonds only, by way of an exchange), in effect as of the later of the Issue Date and the date as of which the Reference Asset is issued or incurred:

- (a) a reduction in the amount of principal or premium payable at maturity (including by way of redenomination);
- (b) a postponement or other deferral of a date or dates for the payment of principal or premium;
- (c) a change in the ranking in priority of payment of the Reference Asset, causing a subordination of such Reference Asset to any other obligation of the Reference Entity.

In the case of an early redemption following a Risk Event, the amount payable under the Securities will be calculated by reference to the remaining market value of the Reference Asset assessed by means of an auction minus all costs incurred in relation to the Reference Asset and the auction (the "**Acceleration Redemption Amount**").

**Such early redemption amount will be substantially less than the Conditional Minimum Redemption Amount under the Securities at maturity and may even be zero.**

#### *Risks related to the Pledge and Trust Agreement*

As guarantee for the payment of the Conditional Minimum Redemption Amount the Reference Asset shall be pledged to a Trustee for the benefit of the Security Holders. In case of failure to pay or insolvency of the Issuer ("**Enforcement Event**") the Reference Asset shall be enforced by the Trustee. In the case of Enforcement Event the Securities Holders bear the risk that the enforcement amount based on the market value of the Reference Asset is substantially less than the Conditional Minimum Redemption Amount. Moreover, the Trustee is entitled to retain from the proceeds of the enforcement an amount equal to its outstanding fees and expenses, so that the amount payable to the Security Holders may be less than the Conditional Minimum Redemption Amount even if the enforcement amount is no less than the Reference Asset face value.

**Should the net enforcement proceeds be less than the Conditional Minimum Redemption Amount the Security Holders may lose a significant portion of the invested capital.**

Moreover, enforcement of the pledge would be subject to defences under German law which are generally available to a pledgor against an enforcement of a pledge, and may be subject to legal challenge in insolvency as well as to restructuring measures taken by any competent regulatory authority including any administrative body under the German Restructuring and Resolution Act (Sanierungs- und Abwicklungsgesetz – SAG). Enforcement of the pledge is subject to the detailed provisions contained in the Trust Agreement and the Pledge Agreement which also include certain limitations. If a court were to find the pledge void or unenforceable or if corresponding restructuring (including creditor participation) measures would be taken by any competent regulatory authority including any administrative body under the German Restructuring and Resolution Act (Sanierungs- und Abwicklungsgesetz – SAG), then the Security Holder would cease to have any claim in respect of the pledge and would solely be an unsecured creditor of the Issuer.

#### *Risks related to the Underlying-linked redemption component*

The underlying-linked redemption amounts or additional amounts, as the case may be, will be determined by reference to an Underlying using a payment formula and other conditions, as specified in the Final Terms. This brings in addition to the risks that arise in connection with the Securities themselves, further significant risks. 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 on the market value of the Securities*

Potential investors should be aware that the market value of the Securities may be very volatile partially depending on the volatility of the Underlying.

The market value of the Securities is influenced by changes in the price of the Underlying to which the redemption under the Securities is partially linked. The price of the Underlying may depend on a number of inter-related factors, including economic, financial and political events and their general effect on capital markets and on the relevant stock exchanges. It is not possible to predict how the price of the Underlying will develop in the future.

Potential investors should note that whilst the market value of the Securities is partially linked to the value of the Underlying and may be negatively influenced by it, not any change may be equally influencing and may lead to disproportionate changes. The value of the Securities may drop while at the same time the price of the Underlying and/or the Reference Asset may increase in value. Especially for Underlyings with a high volatility this may lead to redemption amount or additional amounts payable and/or the value of Underlyings under the Securities being significantly less than the value of the Underlying prior to the relevant observation date might have suggested.

*Risks arising from the fact that the valuation of the Underlying occurs only at a specified date or point in time*

The underlying-linked redemption amounts or additional amounts, as the case may be, may be calculated by reference to a valuation of the Underlying on an observation date as specified in the Final Terms and may not consider the performance of the Underlying prior to such observation date. Even if the Underlying performed positively up to the period prior to the observation date and if the value of the Underlying only decreased on such an observation date, the calculation of the underlying-linked redemption amounts or additional amounts only grounds on the value of the Underlying on the relevant observation date. Especially for Underlyings showing a high volatility this may lead to underlying-linked redemption amounts or additional amounts being significantly less than the value of the Underlying on the observation date has suggested. Where the Underlying comprises more than one component, the positive performance of one or more components of the Underlying may be outweighed/eliminated by a negative performance of other components.

*Risks arising from the impact of thresholds or limits*

If specified in the Final Terms, any underlying-linked redemption amounts or additional 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*

The application of a Participation Factor within the calculation of underlying-linked redemption amounts or additional amounts, as specified in the Final Terms, results in the Security granting a participation in the relevant performance corresponding to the Participation Factor or Final Participation Factor in accordance with the Final Terms. If the Participation Factor or Final Participation Factor is less than 1, a Security Holder may therefore, in the event that the Underlying performs favourably from its point of view, participate in the performance to a smaller extent in accordance with the applicable Participation Factor or Final Participation Factor as specified in the Final Terms. If the Participation Factor or Final Participation Factor is greater than 1, the Security Holder may, in the event that the Underlying performs unfavourably from its point of view, bear an increased risk that no underlying-linked redemption amounts or additional amounts will be paid.

*Risks due to a limitation of potential returns to a Maximum Additional Redemption Amount/Maximum Additional Amount or due to other limitations*

Potential investors should be aware that the underlying-linked redemption amounts or additional amounts to be payable according to the Final Terms, may be limited to the Maximum Additional Redemption Amount or the Maximum Additional Amount, as provided for in the Final Terms. As a consequence, the potential return from the Securities is in such case limited to the Maximum Additional Redemption Amount or the Maximum Additional Amount as the case may be.

*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 respectively including a determination of the value of such Underlying, each of which may have an adverse effect on the value of the Securities.

*Risks in relation to Adjustment Events*

In the case of the occurrence of an 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. Although these adjustments aim to preserve the economic situation of the Security Holders to the largest extent possible, it cannot be guaranteed that such an adjustment will result in a minimal economic impact. In fact, this adjustment may also have a negative impact on the value or the future performance 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.

*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 and/or the quantity of Underlyings to be delivered under the Securities.

*Risks arising from the Issuer's Conversion Right*

Upon the occurrence of a Conversion Event the underlying-linked redemption component (“**Redemption Amount Component 2**”) is converted into the Settlement Amount Component 2. 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 Component 2 is equal to the market value of the Redemption Amount Component 2 plus interest

accrued up to the Redemption Date. In case of a Conversion Event the Redemption Amount may be significantly lower than the individual purchase price of the Securities.

#### *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 on the Securities. In this case, Security Holders are not entitled to demand interest due to such delayed payment.

### **D. RISKS RELATED TO THE REFERENCE ASSETS**

The Reference Asset can either be linked to a bond or a loan (including German law governed *Schuldscheindarlehen*). The Reference Asset is subject to particular risks, which must be observed.

#### **1. General risks**

##### *Past performance no indication for a future performance*

The past performance and payments of the Reference Asset, of other obligations of the Reference Entity or the creditworthiness of the Reference Entity itself provides no indication of the future performance of the Reference Entity. The amounts to be distributed under the Securities may therefore be substantially lower than these indicators may have suggested.

##### *No rights of ownership of the Reference Asset*

The Reference Asset 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 (such as voting rights or other rights) with respect to the Reference Asset. Neither the Issuer nor any of its affiliates is obliged to acquire or hold the Reference Asset. Subject to the provisions of the Trust and Pledge Agreement neither the Issuer nor any of its affiliates is restricted from selling, pledging or otherwise conveying all rights, titles and interests in the Reference Asset or any derivative contracts linked to it by virtue solely of having issued the Securities.

##### *No direct recourse against the Reference Entity under the Reference Asset*

A Security will not represent a claim against any Reference Asset and/or Reference Entity in relation to the Reference Asset's nominal amount and/or interest payable or, in case the Final Terms set out Physical Settlement as applicable, the amount of assets deliverable in respect of the Securities. Subject to the provisions of the Trust and Pledge Agreement in the event that the amount paid by the Issuer or value of the specified assets delivered on redemption of the Securities is less than the nominal amount of the Securities, a Security Holder will not have recourse under a Security to the Reference Entity in relation to any Reference Asset. Investors will be exposed to the risks that are associated with the relevant Reference Asset and may even suffer a total loss.

##### *Risks associated with foreign jurisdictions*

If the Reference Asset is subject to the jurisdiction of a country and/or the Reference Entity is located in a country whose legal system is not comparable with the legal system of the Federal Republic of Germany or other Industrialized Countries, investing in such Securities involves further legal, political (e.g. political changes) and economical (e.g. economic downturns) risks. In foreign jurisdictions possibly expropriation, taxation equivalent to confiscation, political or social instability or diplomatic incidents may occur. The amount of publicly available information with respect to the Reference Asset and/or the Reference Entity may be smaller than that normally made available to Security

Holders. Transparency requirements, accounting, auditing and financial reporting standards as well as regulatory standards may in many ways be less strict than in Industrialized Countries. Financial markets in these countries may have much lower trading volumes than developed markets in Industrialized Countries and the obligations of many companies are less liquid and their prices are subject to stronger fluctuations than those of similar companies in Industrialized Countries.

*Risks related to the purchase of Securities for hedging purposes*

The Securities may not be a perfect hedge against price risks arising from the Reference Asset. Any person intending to use the Securities to hedge against such price risks is subject to the risk that the value of the Reference Asset, other than expected, develops in the same direction as the value of the Securities. In addition, it may not be possible to liquidate the Securities at a certain date at a price which reflects the actual value of the respective Reference Asset. This particularly depends on the prevailing market conditions. In both cases, the Security Holder may suffer a loss from both, his investment in the Securities and his investment in the Reference Asset, whose risk of loss he actually wanted to hedge.

**2. Risks related to bonds**

*Similar risks to a direct investment in bonds*

The performance of Securities linked to bonds as Reference Assets primarily depends on the value of the Reference Asset, the payments made thereunder, the creditworthiness of the Reference Entity and its ability and willingness to perform its obligations under the Reference Assets or any other obligations. The Security Holder is exposed to the economic and business risks of the Reference Entity which depends on various factors. Obligations under the Reference Asset may rank behind other obligations of the Reference Entity after and may only be paid after other claims have been settled; the claims under the Reference Asset are not protected by any compensation scheme or insurance coverage. Any payment outstanding under the Reference Asset may become subject to a debt restructuring and, therefore, may be reduced, waived, postponed, written down or converted (e.g. into equity) by mutual agreement between the Reference Entity and the respective holder of the Reference Asset or by majority voting of such holders and/or by an administrative order or a court ruling. The provisions of the Reference Asset may be contested in court and, as a consequence, may be held in whole or in part invalid or unenforceable. Accordingly, an investment in bond-linked Securities may bear similar risks to a direct investment in the respective bonds. Any of the aforementioned risks may result in the occurrence of a Risk Event and/or Credit Event in relation to the Reference Asset (bond) and/or the Reference Entity (issuer of the bond) and may result in an early termination of the Securities and adjustments to the payments made under the Securities (as described in *Risks arising from financial markets turmoil as well as governmental or regulatory interventions*).

*Particular risks related to a bond as Reference Asset*

Securities linked to a bond as Reference Asset are not in any way sponsored, endorsed, sold or promoted by the issuer of any Reference Asset (the "**Reference Entity**") and such Reference Entity makes no warranty or representation whatsoever, express or implied, as to the future performance of any Reference Asset. Furthermore, such Reference Entity does not assume any obligation to take the interest of the Issuer or those of the Security Holders into consideration for any reason. The Reference Entity is not responsible for and has not participated in the determination of the timing of prices for or quantities of the Securities.

Securities linked to a bond as Reference Asset may bear additional risks for Security Holders in cases where the Reference Asset are called by the Reference Entity early pursuant to its conditions or be postponed at maturity or otherwise. Such circumstances related to the Reference Asset can significantly negatively affect the value of the Securities and could constitute a risk event leading to an early redemption of the Securities.

### **3. Risks related to loans**

#### *Similar risks to a direct investment in loans*

The performance of Securities linked to loans as Reference Assets primarily depends on the value of the Reference Asset, the payments made thereunder, the creditworthiness of the Reference Entity and its ability and willingness to perform its obligations under the Reference Assets or any other obligations. The Security Holder is exposed to the economic and business risks of the Reference Entity which depends on various factors. Obligations under the Reference Asset may rank behind other obligations of the Reference Entity after and may only be paid after other claims have been settled; the claims under the Reference Asset are not protected by any compensation scheme or insurance coverage. Any payment outstanding under the Reference Asset may become subject to a debt restructuring and, therefore, may be reduced, waived, postponed, written down or converted (e.g. into equity) by mutual agreement between the Reference Entity and the respective lender or by majority voting of such lenders and/or by an administrative order or a court ruling. The provisions of the Reference Asset may be contested in court and, as a consequence, may be held in whole or in part invalid or unenforceable. Accordingly, an investment in loan-linked Securities may bear similar risks to a direct investment in the respective loan. Any of the aforementioned risks may result in the occurrence of a Risk Event and/or Credit Event in relation to the Reference Asset (loan) and/or the Reference Entity (borrower of the loan) and may result in an early termination of the Securities and adjustments to the payments made under the Securities (as described in *Risks related to an early redemption and Risk Events*).

#### *Particular risks related to a loan (including German law governed *Schuldscheindarlehen*) as Reference Asset*

Securities linked to a loan as Reference Asset are not in any way sponsored, endorsed, sold or promoted by the borrower under any Reference Asset and such borrower makes no warranty or representation whatsoever, express or implied, as to the future return under any Reference Asset. Furthermore, such borrower does not assume any obligation to take the interest of the Issuer or those of the Security Holders into consideration for any reason. The borrower of the Reference Asset is not responsible for and has not participated in the determination of the timing of prices for or quantities of the Securities.

Securities linked to a loan as Reference Asset may bear additional risks for Security Holders in cases where the Reference Asset is terminated early pursuant to its terms and conditions or under the applicable law, be assigned to a third party without notification to the Security Holder or be postponed at maturity or otherwise. Such circumstances related to the Reference Asset can significantly negatively affect the value of the Securities and could constitute a risk event leading to an early redemption of the Securities.

### **E. RISKS RELATED TO THE UNDERLYING**

The Underlying may be a share or a share representing security, an index or a unit or share of an investment funds (each a "**Fund Share**"). These Underlyings or the Basket Components 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 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 and, hence, on the market value of the Securities and/or the amounts payable thereunder (if any).

## ***1. General risks***

### *Risks arising from the volatility of the price of the Underlying and risk due to a short history*

The value of an Underlying or its constituents may vary over time and may increase or decrease due to a variety of factors such as macroeconomic factors and speculation. Potential investors should note that an investment in the Securities may be subject to similar risks than a direct investment in the relevant Underlying or the relevant components. In comparison with a derivative security linked only to a share or a security representing shares or an index, the Securities may represent a cumulative risk or even an exponential risk.

Security Holders should note that the past performance of an Underlying or (in the case of an index) its constituents provides no indication of its future performance and that an Underlying or (in the case of an index) its constituents may only have a short operating history or may have been in existence only for a short period of time and may deliver results over the longer term less than initially expected.

### *Risks arising from the Benchmark Regulation*

The Underlying may qualify as a benchmark (the "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**") which most provisions will apply from 1 January 2018. According to the Benchmark Regulation, a Benchmark could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. Consequently, it might not be possible to further utilise a Benchmark as Underlying of the Securities. In such event, depending on the particular Benchmark and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted;

Any changes to a Benchmark as a result of the Benchmark Regulation could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with the Benchmark Regulation. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks, adversely affect the performance of a Benchmark or lead to the disappearance of certain Benchmarks. Potential investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Securities.

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

Potential investors should be aware that the relevant Underlying or (in the case of an index) its constituents will not be held by the Issuer for the benefit of the investors in such Securities, and as such, Security Holders will not obtain any rights of ownership (such as voting rights, rights to receive dividends or other distributions or other rights) with respect to an Underlying or (in the case of an index) its constituents in relation to such Securities. Neither the Issuer nor any of its affiliates is obliged to acquire or hold an Underlying or (in the case of an index) its constituents.

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

An Underlying or its constituents (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. Risks associated with shares as Underlying***

### *Similar risks to a direct investment in shares*

The market price of Securities with shares as Underlying depends on the performance of the share. The performance of a share may be subject to factors like the dividend or distribution policy, financial prospects, market position, corporate actions, shareholder structure and risk situation of the issuer of the share, short selling activities and low market liquidity as well as to macro-economic or political influences. Accordingly, an investment in Securities with a share as Underlying may bear similar risks to a direct investment in shares. Corporate actions and events in relation to the share or the issuer of the share may result in adjustments to the Securities and have an adverse effect on the value of the Securities or even result in a termination and early redemption of the Securities. Potential adjustments due to corporate actions or events may modify the structure and/or risk profile of the Securities. Furthermore, disruptions regarding the trading of the shares may have a negative effect on the value of the Securities and the payments to be made.

### *Investors have no shareholder rights*

The Securities convey no interest in the share(s), including any voting rights or rights to receive dividends, interest or other distributions, as applicable, or any other rights with respect to the share or shares as an Underlying. The Issuer and any of its affiliates may choose not to hold the Underlying or not to enter into any derivative contracts linked to the Underlying. Neither the Issuer nor any of its affiliates is restricted from selling, pledging or otherwise conveying all right, title and interest in the Underlying or any derivative contracts linked to the Underlying by virtue solely of having issued the Securities.

### *Risks related to ADRs/RDRs*

Depository receipts in the form of American Depository Receipts (ADRs) or Regional Depository Receipts (RDRs) may bear additional risks compared with risks related to shares. Depository receipts are participation certificates in a portfolio of shares normally held in the country of incorporation of the issuer of the underlying shares and represent one or more shares or a fraction of such shares. For depository receipts, the legal owner of the underlying share portfolio is the custodian bank, which is at the same time the issuing agent of the depository receipts. Depending on the jurisdiction in which the depository receipts will be issued and to which jurisdiction the custody agreement is subject, it cannot be ruled out that the respective jurisdiction does not recognise the holder of the depository receipts as the actual beneficial owner of the underlying shares. Especially in the event of insolvency of the custodian bank or foreclosure against it, it is possible that shares underlying the depository receipts are restricted or that these shares may be sold to realise their value in the case of foreclosure against the

custodian bank. If that is the case, the holder of the depository receipts loses the rights to the underlying shares certified by the participation certificate and the depository receipt becomes worthless.

### **3. Risks associated with 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 related to Conversion Events*). Disruptions regarding 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 "**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*. The performance of the index components is only considered in excess (that means relative) to a benchmark or interest rate.

#### *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. Finally, 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.

### **7. Risks related to Fund Shares as 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 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 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 (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) 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.

#### *No rights of ownership of the Underlying or Basket 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. The Issuer and its affiliates may decide not to hold the Underlyings or not to enter into any derivatives contracts linked to the Underlying. Neither the Issuer nor its affiliates are restricted from selling, pledging or otherwise transferring rights, titles and interests relating to the Underlyings or to derivatives contracts linked to the Underlyings 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 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 performance 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 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 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.

### ***8. 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 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 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 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.

## **9. General risks from investment activities in the case of Fund Shares as the 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 realizing 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.

### **10. Specific risks relating to Fund Management in the case of Fund Shares as the 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.

## ***11. Specific risks arising from assets purchased in the case of Fund Shares as 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 realize 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 realized 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.

***12. Specific risks due to particular portfolio management techniques in the case of Fund Shares as 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 recognized institutional borrowers of securities. The investment funds earn income from these securities loan transactions, which are generally collateralized 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.

## GENERAL DESCRIPTION OF THE BASE PROSPECTUS

In accordance with the Luxembourg Prospectus Act, this Base Prospectus was approved by the CSSF as 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.

Under this Base Prospectus the Issuer may issue new Reference Asset Linked Securities or Bond Linked Equity Linked Securities under the Programme, increase the issuing volume of Securities which have already been issued, and apply for the admission to trading of Securities on a regulated or other equivalent market.

With respect to this Base Prospectus, the CSSF has provided to the competent authorities in Austria, Czech Republic, Poland, the Slovak Republic, Hungary, Bulgaria and Croatia a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Under this Base Prospectus Reference Asset Linked Securities may only be admitted to trading on a regulated or other equivalent market in Luxembourg and Austria.

Under this Base Prospectus Bond Linked Equity Securities may only be offered to the public or admitted to trading on a regulated or other equivalent market in Luxembourg, the Czech Republic, Poland, the Slovak Republic, Hungary, Bulgaria and Croatia.

This Base Prospectus is to be read together with the information provided in (a) the registration document of UniCredit Bank AG dated 21 April 2017 (the "**Registration Document**"), whose information is incorporated herein by reference, (b) the supplements to this Base Prospectus, if any (the "**Supplements**") (c) 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 (d) the respective Final Terms (the "**Final Terms**").

## **RESPONSIBILITY STATEMENT**

UniCredit Bank AG having its registered office at Arabellastraße 12, 81925 Munich, Germany accepts responsibility for the information contained in this Base Prospectus. UniCredit Bank AG declares that, taken all reasonable care to ensure that this is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

## CONSENT TO THE USE OF THE BASE PROSPECTUS

If the Issuer consents to the use of the Base Prospectus, consent shall be given 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 Issuer reserves the right not give its consent.

The Issuer accepts 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:

With respect to Reference Asset Linked Securities: Luxembourg, Austria.

With respect to Bond Linked Equity Securities: Luxemburg, the Czech Republic, Poland, the Slovak Republic, Hungary, Bulgaria and Croatia.

The Issuer's consent to the use of the Base Prospectus may be 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 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 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 period set out 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 Issuer reserves the right to withdraw its 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 Issuer under "Rechtliches", "Zustimmung zur Prospektnutzung" (or any successor website which the Issuer will publish in accordance with § 6 of the General Conditions).**

## **DESCRIPTION OF THE ISSUER**

The description of the Issuer included in the Registration Document of UniCredit Bank AG dated 21 April 2017, the audited consolidated financial statements of HVB Group as of 31 December 2015, contained in the Annual Report HVB Group 2015, the audited consolidated financial statements of HVB Group as of 31 December 2016 contained in the Annual Report HVB Group 2016, the audited unconsolidated financial statements as of 31 December 2016, contained in the Annual Report UniCredit Bank AG (HVB) 2016 are hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 331 et seq.

### **Jurisdiction under which the Issuer operates**

The Issuer operates under laws of the Federal Republic of Germany.

### **Date of incorporation of the Issuer**

The Issuer (UniCredit Bank AG), formerly Bayerische Hypo- und Vereinsbank Aktiengesellschaft, was formed on 31 August 1998 through the merger of Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft.

### **Business overview (principal activities)**

As a universal bank, the Issuer with its subsidiaries is one of the leading providers of banking and financial services in Germany (based on the Issuer's internal benchmarking analyses, considering the market development, e.g. market share for loans to customers and a peer group comparison in terms of, inter alia, income statements and balance sheets).

## GENERAL INFORMATION ON THE SECURITIES

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.

### Features of the Securities

#### *General*

The Securities will be issued as debt instruments with a Nominal Amount, constituting debt instruments in bearer form (*Inhaberschuldverschreibungen*) (pursuant to § 793 BGB). The Securities redemption is linked to a Reference Asset. In the case of Bond Linked Equity Securities the method of calculating the redemption amount or additional amounts as the case may be is linked in addition to the value of the Underlying at a certain point in time. The Securities will be issued as notes or certificates with Nominal Amount, as specified in the Final Terms.

#### *Form of the Securities*

The Securities are bearer debt instruments (*Inhaberschuldverschreibungen*) pursuant to § 793 of the German Civil Code (*Bürgerliches Gesetzbuch*, BGB).

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.

#### *Underlying*

The Securities are linked to the performance of a Reference Asset. A Reference Asset may be a bond or a loan (including German law governed *Schuldscheindarlehen*). Bond Linked Equity Securities are linked to both the performance of a Reference Asset and an Underlying.

The Reference Asset will be specified in the Final Terms.

Underlying may be either a share, a share or an American Depositary Receipt (ADR) or a Regional Depositary Receipt (RDR) (respectively a "**Depository Receipt**"), an index or units or shares of investment funds, including exchange traded funds (ETF) (each a "**Fund Share**") or indices related to Fund Shares or to a basket of Fund Shares.

Index may be the Index described in the section "Description of indices composed by the Issuer or by any legal entity belonging to 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 by way of a supplement to the Base Prospectus.

The Reference Asset and, if applicable, the Underlying is the main influencing factor on the value of the Securities. In general, the Security Holders participate in any positive as well as in any negative performance of the Underlying during the term of the Securities.

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 in the case of Bond Linked Equity Securities*

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 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.

### ***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 by German law.

### ***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.

### ***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(s) as specified in the Final Terms in accordance with § 6 of the General Conditions. The Issuer may replace these website(s) by any successor website(s) which again will be published by notice 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 Securities 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 as well as the bid and offer prices quoted by the Issuer during the term of the Securities 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 *inter alia* cover the Issuer's costs for structuring the Securities, risk hedging of the Issuer and the distribution.

### **Selling concession or other concessions**

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

### **Placing and distribution**

The Securities may be distributed by way of a public offer or a private placement 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**

The Issuer may make an application to admit the Securities to trading on a regulated or other equivalent market, inter alia, the listing of the Securities on the official list of the Luxembourg Stock Exchange and admission to trading of the Securities on the regulated market of the Luxembourg Stock Exchange. In such a case the relevant Final Terms set out the regulated or other equivalent markets and the earliest date (if known) on which the Securities are or will likely be admitted to trading.

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 retail investors, qualified 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.

### **Term and conditions of the offer**

Reference Asset Linked Securities may only be offered to the public or admitted to trading on a regulated or other equivalent market in Luxembourg and Austria.

Bond Linked Equity Securities may only be offered to the public or admitted to trading on a regulated or other equivalent market in Luxembourg, the Czech Republic, Poland, the Slovak Republic, Hungary, Bulgaria and Croatia.

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 increase of Securities which have already been issued;
- (iv) information about the manner and date in which results of the offer are to be made public;
- (v) a subscription period;
- (v) the country(ies) where the offer(s) to the public takes place;
- (v) smallest transferable and/or tradable unit or amount;

- (viii) the conditions for the offer of the Securities;
- (ix) possibility of an early termination of the public offer.

#### **Offer during a subscription period**

The Securities may be offered 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 continuously offered thereafter. The Issuer reserves the right to extend or shorten the subscription period or to withdraw the issue before 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, if not otherwise specified in the Final Terms. Trading in the Securities may start prior to the notification of the allocation.

#### **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.

## DESCRIPTION OF THE SECURITIES

The definitions of the defined terms used herein are specified in the Conditions (as defined in the section "Conditions of the Securities") below. The Conditions of the Securities comprise Part A – General Conditions of the Securities, Part B - Product and Reference Asset Data and Part C – Special Conditions of the Securities. The information set out below provides an overview of the Securities which may be issued under this Programme.

### The Securities

The Securities will be issued as notes or certificates constituting debt instruments in bearer form (*Inhaberschuldverschreibungen*) pursuant to § 793 BGB. The Nominal Amount per Security will be specified in the relevant Final Terms. The Nominal Amount shall be not less than 1,000 Euro.

## PRODUCT TYPE 1: FIX RATE REFERENCE ASSET LINKED SECURITIES

### General description of the Securities

Fixed Rate Reference Asset Linked Securities are securities whose redemption is linked to a Reference Asset i.e. to payments received from the Reference Asset. The Reference Asset can be either a bond or loan (including German law governed *Schuldscheindarlehen*). The payment of interest and the redemption are negatively affected by the occurrence of certain events in relation to the Reference Asset or the Reference Entity ("**Risk Events**"). The Issuer will pay interest if any and redeem the Securities on the Settlement Date at the amount scheduled to be paid or delivered only if no Risk Event has occurred. Fixed Rate Reference Asset Linked Securities are issued with a minimum denomination of 100,000 Euro.

### Redemption

#### (i) Cash Settlement

Subject to Early Redemption the Securities with cash settlement are redeemed on the Settlement Date by payment of the Redemption Amount in the Specified Currency.

In the case of Securities with a *Specified Redemption Amount* the Redemption Amount to be paid is calculated by multiplying the Specified Redemption Amount (less a Redemption Adjustment Amount, as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

In the case of Securities with a *Scheduled Reference Asset Redemption Amount* the Redemption Amount to be paid is calculated by multiplying the Scheduled Reference Asset Redemption Amount in the Specified Currency (less a Redemption Adjustment Amount, as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

In the case of Securities with a *Reference Asset Redemption Amount* the Redemption Amount to be paid is calculated by multiplying the Reference Asset Redemption Amount (less a Redemption Adjustment Amount, as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

If the Reference Currency is not equal to the Specified Currency, then any amount required for the determination of the redemption amount received shall be converted by the Calculation Agent at the FX Exchange Rate as per the relevant FX Valuation Date.

#### (ii) Physical Settlement

Subject to Early Redemption the Securities with physical settlement are redeemed on the Settlement Date by delivery of the Redemption Delivery Amount.

The Redemption Delivery Amount is calculated by multiplying the Aggregate Reference Asset Nominal Amount (less any Redemption Adjustment Amount, as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

### ***Interest***

The Securities can be issued either as (i) zero coupon Securities, (ii) Securities with a fixed interest amount, (iii) Securities with a fixed interest rate.

#### *Zero coupon Securities*

Zero coupon Securities will not bear interest. They may be issued either (i) at a discount to the Nominal Amount where the redemption amount is equal to the Nominal Amount or (ii) at the Nominal Amount where the Redemption Amount is greater than the Nominal Amount.

#### *Securities with a fixed interest amount*

Securities with a fixed interest amount pay on the respective Interest Payment Date an Interest Amount specified in the relevant Final Terms.

In case of Securities with a *Specified Interest Amount* the respective Interest Amount is calculated by multiplying the Specified Interest Amount (less an Interest Adjustment Amount, as the case may be) in the Specified Currency and the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

In case of Securities with a *Scheduled Reference Asset Interest Amount* the respective Interest Amount is calculated by multiplying the Scheduled Reference Asset Interest Amount in relation to each Scheduled Reference Asset Interest Payment Date (less an Interest Adjustment Amount, as the case may be) in the Specified Currency and the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

In case of Securities with a *Reference Asset Interest Amount* the respective Interest Amount is calculated by multiplying the Reference Asset Interest Amount in relation to each Scheduled Reference Asset Interest Payment Date (less an Interest Adjustment Amount, as the case may be) in the Specified Currency and the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

#### *Securities with a fixed interest rate*

Fixed rate Securities will bear interest from the Interest Commencement Date to the Interest End Date at a fixed interest rate per annum as specified in the relevant Final Terms.

The Interest Amount per Security to be paid on each Interest Payment Date is equal to the product of the Nominal Amount, the Interest Rate and the Day Count Fraction. The Interest Rate and the Day Count Fraction are specified in the relevant Final Terms. The Interest Rate may differ from the interest rate applicable under the Reference Asset.

### ***Early Redemption***

If a Risk Event occurs and a Risk Event Notice is published at any time during the Risk Event Notice Period, then (i) the accrual of interest, if any, ceases from and including the Interest Payment Date immediately preceding the day on which such Risk Event has occurred and (ii) the Securities are not redeemed at the amount scheduled to be paid or delivered, but at the Acceleration Redemption Amount or the Acceleration Delivery Amount.

A Risk Event, as specified in the Final Terms, can be an Unscheduled Redemption, Cashflow Discrepancy, Reference Asset Value Event, Custody Event, FX Disruption Event, Change in Law, Hedging Disruption or a Credit Event in respect of a Reference Entity, the Reference Asset or any of the Reference Entity's borrowed money obligations (either directly or as provider of a guarantee),

such as Bankruptcy, Failure to Pay, Governmental Intervention, Obligation Default, Obligation Acceleration, Repudiation/Moratorium or Restructuring.

If the Securities provide for a Leverage Factor, losses as a result of the occurrence of a Risk Event and such costs may be significantly greater compared to unleveraged Securities and may further reduce the Acceleration Redemption Amount or the Acceleration Delivery Amount.

Following an Unscheduled Redemption, a Restructuring of the Reference Asset or a Governmental Intervention Security Holders may receive the Reference Asset or any Asset Package received in lieu of the Reference Asset or the Acceleration Redemption Amount.

(i) Cash Settlement

The Securities with cash settlement are early redeemed on the Acceleration Redemption Date by payment of the Acceleration Redemption Amount upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition.

The Acceleration Redemption Amount is subject to a minimum of zero, and is calculated for each Security by multiplying the Reference Asset Auction Proceeds (less a Leverage Loss Adjustment Amount, Hedge Unwind Costs, Related Costs and/or an Adjustment Amount Value, each as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

Thus, the Acceleration Redemption Amount may be significantly reduced by the Adjustment Amount Value and any costs including the transaction costs and any prepayment indemnity incurred by unwinding any swaps and hedging transactions which may have been entered into in connection with the Securities, including (but not limited to) any currency hedging transactions, interest rate swap transactions, or asset swap transactions.

If the Securities are denominated in a currency other than the Reference Currency the Acceleration Redemption Amount may be further reduced by a change in the then prevailing FX Exchange Rate.

(ii) Physical Settlement

The Securities with physical settlement are early redeemed on the Acceleration Redemption Date by delivery of the Acceleration Delivery Amount and the Supplemental Cash Amount (where relevant) upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition.

The Acceleration Delivery Amount is calculated by multiplying (a) the Aggregate Reference Asset Nominal Amount minus the Physical Settlement Adjustment Amount and (b) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

Thus, the Acceleration Delivery Amount may be significantly reduced by the Physical Settlement Adjustment Amount accounting for any costs including the transaction costs and any prepayment indemnity incurred by unwinding any swaps and hedging transactions which may have been entered into in connection with the Securities, including (but not limited to) any currency hedging transactions, interest rate swap transactions, or asset swap transactions.

***Failure to redeem***

If the Securities are physically settled and the Issuer is unable to redeem the Securities, then the Issuer shall use all reasonable endeavours to redeem each Security by payment of the Acceleration Redemption Amount.

## **PRODUCT TYPE 2: FLOATING RATE REFERENCE ASSET LINKED SECURITIES**

### **General description of the Securities**

Floating Rate Reference Asset Linked Securities are securities whose redemption is linked to a Reference Asset i.e. to payments received from and the Reference Asset. The Reference Asset can be either a bond or loan (including German law governed *Schuldscheindarlehen*). The payment of interest and the redemption is negatively affected by the occurrence of certain events (“**Risk Events**”) in relation to the Reference Asset or the Reference Entity. The Issuer will pay interest and redeem the Securities on the Settlement Date at the amount scheduled to be paid or delivered only if no Risk Event has occurred. Floating Rate Reference Asset Linked Securities are issued with a minimum denomination of 100,000 Euro.

### **Redemption**

#### (i) Cash Settlement

Subject to Early Redemption the Securities with cash settlement are redeemed on the Settlement Date by payment of the Redemption Amount in the Specified Currency

In the case of Securities with a *Specified Redemption Amount* the Redemption Amount to be paid is calculated by multiplying the Specified Redemption Amount (less a Redemption Adjustment Amount, as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

In the case of Securities with a *Scheduled Reference Asset Redemption Amount* the Redemption Amount to be paid is calculated by multiplying the Scheduled Reference Asset Redemption Amount in the Specified Currency (less a Redemption Adjustment Amount, as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

In the case of Securities with a *Reference Asset Redemption Amount* the Redemption Amount to be paid is calculated by multiplying the Reference Asset Redemption Amount (less a Redemption Adjustment Amount, as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

If the Reference Currency is not equal to the Specified Currency, then any amount required for the determination of the redemption amount received shall be converted by the Calculation Agent at the FX Exchange Rate as per the relevant FX Valuation Date.

#### (ii) Physical Settlement

Subject to Early Redemption the Securities with physical settlement are redeemed on the Settlement Date by delivery of the Redemption Delivery Amount.

The Redemption Delivery Amount is calculated by multiplying the Aggregate Reference Asset Nominal Amount (less any Redemption Adjustment Amount, as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

### **Interest**

The Securities are issued as Securities with a floating interest rate.

Floating rate Securities will bear interest from the Interest Commencement Date to the Interest End Date at an interest rate on the basis of a Reference Rate as specified in the relevant Final Terms. The Reference Rate may be EURIBOR, LIBOR, MosPrime or any other reference rate as set out in the relevant Final Terms.

EURIBOR (Euro Interbank Offered Rate) means the interbank interest rate (i.e. the rate at which banks lend to each other), daily calculated as the average of the quotations for one to twelve month observed on a sample of commercial banks, selected periodically by the European Banking Federation.

LIBOR (London Interbank Offered Rate) means the rate at which an individual contributor panel bank could borrow funds, were it to do so by asking for and then accepting interbank offers in reasonable market size.

MosPrime Rate (Moscow Prime Offered Rate) means the daily calculated National Foreign Exchange Association ("NFEA") fixing of the reference rate on the basis of offer rates of rouble loans (deposits) as quoted by leading participants in the Russian money market selected by the NFEA board.

The Interest Amount per Security to be paid on each Interest Payment Date is equal to the product of the Nominal Amount, the Reference Rate and the Day Count Fraction. The Interest Rate and the Day Count Fraction are specified in the relevant Final Terms. The Reference Rate may differ from the interest rate applicable under the Reference Asset.

If the Reference Currency is not equal to the Specified Currency, then any amount required for the determination of the Interest Amount shall be converted by the Calculation Agent at the FX Exchange Rate as per the relevant FX Valuation Date.

### ***Early Redemption***

If a Risk Event occurs and a Risk Event Notice is published at any time during the Risk Event Notice Period, then (i) the accrual of interest ceases from and including the Interest Payment Date immediately preceding the day on which such Risk Event has occurred and (ii) the Securities are not redeemed at the amount scheduled to be paid or delivered, but at the Acceleration Redemption Amount or the Acceleration Delivery Amount.

A Risk Event, as specified in the Final Terms, can be an Unscheduled Redemption, Cashflow Discrepancy, Reference Asset Value Event, Custody Event, FX Disruption Event, Change in Law, Hedging Disruption or a Credit Event in respect of a Reference Entity, the Reference Asset or any of the Reference Entity's borrowed money obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Governmental Intervention, Obligation Default, Obligation Acceleration, Repudiation/Moratorium or Restructuring.

If the Securities provide for a Leverage Factor, losses as a result of the occurrence of a Risk Event and such costs may be significantly greater compared to unleveraged Securities and may further reduce the Acceleration Redemption Amount or the Acceleration Delivery Amount.

Following an Unscheduled Redemption, a Restructuring of the Reference Asset or a Governmental Intervention Security Holders may receive the Reference Asset or any Asset Package received in lieu of the Reference Asset or the Acceleration Redemption Amount.

#### **(i) Cash Settlement**

The Securities with cash settlement are early redeemed on the Acceleration Redemption Date by payment of the Acceleration Redemption Amount upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition.

The Acceleration Redemption Amount is subject to a minimum of zero, and is calculated for each Security by multiplying the Reference Asset Auction Proceeds (less a Leverage Loss Adjustment Amount, Hedge Unwind Costs, Related Costs and/or an Adjustment Amount Value, each as the case may be) with the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

Thus, the Acceleration Redemption Amount may be significantly reduced by the Adjustment Amount Value and any costs including the transaction costs and any prepayment indemnity incurred by unwinding any swaps and hedging transactions which may have been entered into in connection with the Securities, including (but not limited to) any currency hedging transactions, interest rate swap transactions, or asset swap transactions.

If the Securities are denominated in a currency other than the Reference Currency the Acceleration Redemption Amount may be further reduced by a change in the then prevailing FX Exchange Rate.

(ii) Physical Settlement

The Securities with physical settlement are early redeemed on the Acceleration Redemption Date by delivery of the Acceleration Delivery Amount and the Supplemental Cash Amount (where relevant) upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition.

The Acceleration Delivery Amount is calculated by multiplying (a) the Aggregate Reference Asset Nominal Amount minus the Physical Settlement Adjustment Amount and (b) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

Thus, the Acceleration Delivery Amount may be significantly reduced by the Physical Settlement Adjustment Amount accounting for any costs including the transaction costs and any prepayment indemnity incurred by unwinding any swaps and hedging transactions which may have been entered into in connection with the Securities, including (but not limited to) any currency hedging transactions, interest rate swap transactions, or asset swap transactions.

***Failure to redeem***

If the Securities are physically settled and the Issuer is unable to redeem the Securities, then the Issuer shall use all reasonable endeavours to redeem each Security by payment of the Acceleration Redemption Amount.

**PRODUCT TYPE 3: BOND LINKED EQUITY SECURITIES**

**General description of the Securities**

Bond Linked Equity Securities are securities whose redemption depends on two components: i) the Reference Asset and ii) the Underlying.

The Redemption Amount of the Bond Linked Equity Securities corresponds to the sum of the Conditional Minimum Redemption Amount (“**Redemption Amount Component 1**”) and an additional redemption amount (“**Redemption Amount Component 2**”).

i) Redemption Amount Component 1

The Redemption Amount Component 1 is a Conditional Minimum Redemption Amount that corresponds to the repayment amount of the Reference Asset. Subject to the occurrence of a Risk Event and/or Enforcement Event (s. below), the Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount, which may be equal to or less or more than the Nominal Amount.

The Reference Asset is a bond issued either by a corporate, a financial or a sovereign entity (the “**Reference Entity**”).

ii) Redemption Amount Component 2

The Redemption Amount Component 2 is linked to the performance of an Underlying. Subject to the occurrence of a Risk Event and/or Conversion Event (s. below) and/or Enforcement Event, the Securities pay at maturity an additional redemption amount depending on the performance of the Underlying.

The Underlying is either a share or depositary receipt, an Index or a Fund.

***Redemption at maturity***

If no Risk Event, no Conversion Event and no Enforcement Event has occurred, the Bond Linked Equity Securities will be redeemed on the Maturity Date by payment of the Redemption Amount per Security.

1) Redemption Amount Component 1

The Redemption Amount Component 1 is equal to the Reference Asset Redemption Amount.

2) Redemption Amount Component 2

The Redemption Amount Component 2 is equal to the Nominal Amount multiplied by i) the difference between the Performance of the Underlying and the Strike Level and ii) the Participation Factor.

The Redemption Amount Component 2 is no less than zero.

Performance of the Underlying means the quotient of R (final) and R (initial).

In the case of Bond Linked Equity Securities with Cap the Redemption Amount Component 2 is no higher than the Maximum Additional Redemption Amount.

R (initial) means:

- for Securities where R (initial) has already been specified, R (initial) specified in the respective Final Terms, or
- for Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date, or
  - for Securities with initial average observation the equally weighted average (arithmetic average) of the Reference Prices determined on the Initial Observation Dates;
- for Securities with best-in observation the highest Reference Price during the Best in-Period;  
for Securities with worst-in observation alternatively: the lowest Reference Price during the Worst in-Period.

R (final) means:

- for Securities with final Reference Price observation:
  - the Reference Price on the Final Observation Date ;
  - for Securities with final average observation the equally weighted average (arithmetic average) of the Reference Prices determined on the Final Observation Dates;
- for Securities with best-out observation
  - the highest Reference Price during the Best out-Period;
- for Securities with worst-out observation  
alternatively: the lowest Reference Price during the Worst out-Period.

The Participation Factor, the Strike Level, the Maximum Additional Redemption Amount, the Best in-Period, the Worst in-Period, the Best out-Period and the Worst out-Period are specified in the respective Final Terms.

### ***Redemption at Maturity after Conversion***

If a Conversion Event has occurred, the Issuer will be released from its obligation to redeem the Securities at the Redemption Amount and shall redeem the Securities on the Maturity Date at the Settlement Amount.

A Conversion Event is any Extraordinary Event affecting the Underlying as defined in the relevant Final Terms.

The Settlement Amount corresponds to the sum of the Settlement Amount Component 1 and the Settlement Amount Component 2.

#### 1) Settlement Amount Component 1

The Settlement Amount Component 1 is equal to the Redemption Amount Component 1.

#### 2) Settlement Amount Component 2

The Settlement Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 (plus accrued interest until the Maturity Date) as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Conversion Event.

### ***Early Redemption***

If a Risk Event has occurred and a Risk Event Notice has been published at any time during the Risk Event Notice Period (“**Acceleration Event**”), then the Issuer is released from its obligation to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the Acceleration Redemption Amount on the Acceleration Redemption Date.

A Risk Event, as specified in the relevant Final Terms, is a credit event in respect of the Reference Entity, the Reference Asset or any of the Reference Entity’s obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Restructuring or Governmental Intervention.

The Acceleration Redemption Amount per Security corresponds to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.

#### 1) Acceleration Redemption Amount Component 1

The Acceleration Redemption Amount Component 1 corresponds to the sum of i) the cash amount actually repaid by the Reference Asset at maturity (the “**Reference Asset Redemption Amount**”) and ii) the market value of the defaulted Reference Asset. The Reference Asset market value is assessed by means of an Auction performed according to the procedure provided for in the relevant Final Terms: The Acceleration Redemption Amount Component 1 is calculated based on the cash amount calculated by the Calculation Agent as a result of the Auction of the defaulted Reference Asset and the Reference Asset Redemption Amount.

#### 2) Acceleration Redemption Amount Component 2

The Acceleration Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 per Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Acceleration Event.

## ***Enforcement***

At all times prior to the Maturity Date, an amount of the Reference Asset that is sufficient to cover the Issuer's liability from the Redemption Amount Component 1 of all outstanding Bond Linked Equity Securities shall be pledged to a Trustee for the benefit of the Security Holders.

In case of failure to pay or insolvency of the Issuer ("**Enforcement Event**") the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders according to the procedure provided for in the Master Trust Agreement. Thus, with respect to the Conditional Minimum Redemption Amount, the Security Holders don't bear the credit risk of the Issuer but of the Reference Entity.

The proceeds realised from the enforcement of the Reference Asset will be distributed to the Security Holders on a *pro rata* basis for payment of the relevant Redemption Amount or Settlement Amount as the case may be. As the Trustee is entitled to retain from the proceeds of the enforcement an amount equal to its regular outstanding fees and expenses, the amount to be distributed to the Security Holders may significantly less than the Conditional Minimum Redemption Amount. The Security Holders' right to claim any due amounts not covered by the Trustee's payment against the Issuer or the Issuer's insolvency estate remains unaffected.

## **PRODUCT TYPE 4: ALL TIME HIGH BOND LINKED EQUITY SECURITIES**

### **General description of the Securities**

All Time High Bond Linked Equity Securities are securities whose redemption depends on two components: i) the Reference Asset and ii) the Underlying.

The Redemption Amount of the All Time High Bond Linked Equity Securities corresponds to the sum of the Conditional Minimum Redemption Amount ("**Redemption Amount Component 1**") and an additional redemption amount ("**Redemption Amount Component 2**").

#### i) Redemption Amount Component 1

The Redemption Amount Component 1 is a Conditional Minimum Redemption Amount that corresponds to the repayment amount of the Reference Asset. Subject to the occurrence of a Risk Event and/or Enforcement Event (s. below), the Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount, which may be equal to or less or more than the Nominal Amount.

The Reference Asset is a bond issued either by a corporate, a financial or a sovereign entity (the "**Reference Entity**").

#### ii) Redemption Amount Component 2

The Redemption Amount Component 2 is linked to the performance of the Underlying. Subject to the occurrence of a Risk Event and/or Conversion Event (s. below) and/or Enforcement Event, the Securities pay at maturity an additional redemption amount depending on the performance of the Underlying.

The Underlying is either a share or depositary receipt, an Index or a Fund.

### ***Redemption at maturity***

If no Risk Event, no Conversion Event and no Enforcement Event has occurred, the Bond Linked Equity Securities will be redeemed on the Maturity Date by payment of the Redemption Amount per Security.

#### 1) Redemption Amount Component 1

The Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount.

## 2) Redemption Amount Component 2

The Redemption Amount Component 2 is equal to the Nominal Amount multiplied 1) by the difference (i) between the Performance of the Underlying and (ii) the Strike Level, multiplied by the Participation Factor, or 2) by the difference between the (i) Best Performance of the Underlying and (ii) the Strike Level, multiplied by the Participation Factor<sub>best</sub>, depending on which of these amounts is the higher one.

The Redemption Amount Component 2 is no less than zero.

In the case of All Time High Cap Bond Linked Equity Securities the Redemption Amount Component 2 is in no case higher than the Maximum Additional Redemption Amount.

Performance of the Underlying means the quotient of R (final) and R (initial).

Best Performance of the Underlying means the quotient of R (final)<sub>best</sub>, as the numerator, and R (initial), as the denominator.

R (initial) means:

- for Securities where R (initial) has already been specified, R (initial) specified in the respective Final Terms, or
- for Securities with initial Reference Price observation, the Reference Price on the Initial Observation Date, or
  - for Securities with initial average observation, the equally weighted average (arithmetic average) of the Reference Prices determined on the Initial Observation Dates;
- for Securities with best-in observation
  - the highest Reference Price during the Best in-Period;
- for Securities with worst-in observation
  - the lowest Reference Price during the Worst in-Period.

R (final) means:

- for Securities with final Reference Price observation
  - the Reference Price on the Final Observation Date;
- for Securities with final average observation
  - alternatively: the equally weighted average (arithmetic average) of the Reference Prices determined on the Final Observation Dates;

R (final)<sub>best</sub> means the highest Reference Price on the dates specified in the respective Final Terms.

The Participation Factor, the Participation Factor<sub>best</sub>, the Strike Level, the Maximum Additional Redemption Amount, the Best in-Period and the Worst in-Period are specified in the respective Final Terms.

### ***Redemption at Maturity after Conversion***

If a Conversion Event has occurred, the Issuer will be released from its obligation to redeem the Securities at the Redemption Amount and shall redeem the Securities on the Maturity Date at the Settlement Amount.

A Conversion Event is any Extraordinary Event affecting the Underlying as defined in the relevant Final Terms.

The Settlement Amount corresponds to the sum of the Settlement Amount Component 1 and the Settlement Amount Component 2.

1) Settlement Amount Component 1

The Settlement Amount Component 1 is equal to the Redemption Amount Component 1.

2) Settlement Amount Component 2

The Settlement Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 per Nominal Amount of the Security (plus accrued interest until the Maturity Date) as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Conversion Event.

***Early Redemption***

If a Risk Event has occurred and a Risk Event Notice has been published at any time during the Risk Event Notice Period (“**Acceleration Event**”), then the Issuer is released from its obligation to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the Acceleration Redemption Amount on the Acceleration Redemption Date.

A Risk Event, as specified in the relevant Final Terms, is a credit event in respect of the Reference Entity, the Reference Asset or any of the Reference Entity’s obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Restructuring or Governmental Intervention.

The Acceleration Redemption Amount per Security corresponds to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.

1) Acceleration Redemption Amount Component 1

The Acceleration Redemption Amount Component 1 corresponds to sum of i) the cash amount actually repaid by the Reference Asset at maturity (the “**Reference Asset Redemption Amount**”) and ii) the market value of the defaulted Reference Asset. The Reference Asset market value is assessed by means of an Auction performed according to the procedure provided for in the relevant Final Terms: The Acceleration Redemption Amount Component 1 is calculated based on the cash amount calculated by the Calculation Agent as a result of the Auction of the defaulted Reference Asset and the Reference Asset Redemption Amount.

2) Acceleration Redemption Amount Component 2

The Acceleration Redemption Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 per Nominal Amount of the Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Acceleration Event.

***Enforcement***

At all times prior to the Maturity Date, an amount of the Reference Asset that is sufficient to cover the Issuer’s liability from the Redemption Amount Component 1 of all outstanding All Time High Bond Linked Equity Securities shall be pledged to a Trustee for the benefit of the Security Holders.

In case of failure to pay or insolvency of the Issuer (“**Enforcement Event**”) the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders according to the procedure provided for in the Master Trust Agreement. Thus, with respect to the Conditional Minimum Redemption Amount, the Security Holders don’t bear the credit risk of the Issuer but of the Reference Entity but of the Reference Entity.

The proceeds realised from the enforcement of the Reference Asset will be distributed to the Security Holders on a *pro rata* basis for payment of the relevant Redemption Amount or Settlement Amount as the case may be. As the Trustee is entitled to retain from the proceeds of the enforcement an amount equal to its regular outstanding fees and expenses, the amount to be distributed to the Security Holders may significantly less than the Conditional Minimum Redemption Amount. The Security Holders' right to claim any due amounts not covered by the Trustee's payment against the Issuer or the Issuer's insolvency estate remains unaffected.

## **PRODUCT TYPE 5: CASH COLLECT BOND LINKED EQUITY SECURITIES**

### **General description of the Securities**

Cash Collect Bond Linked Equity Securities are securities whose redemption depends on two components: i) the Reference Asset and ii) the Underlying.

The Redemption Amount of the Cash Collect Bond Linked Equity Securities corresponds at maturity to the Conditional Minimum Redemption Amount.

Moreover, a periodic Additional Amount will be paid on the respective relevant Additional Amount Payment Date, which is based on the performance of the Underlying on the respective Observation Date (k).

#### **i) Redemption Amount**

The Redemption Amount is a Conditional Minimum Redemption Amount that corresponds to the repayment amount of the Reference Asset. Subject to the occurrence of a Risk Event and/or Enforcement Event (s. below), the Redemption Amount is equal to the Conditional Minimum Redemption Amount, which may be equal to or less or more than the Nominal Amount.

The Reference Asset is a bond issued either by a corporate, a financial or a sovereign entity (the "**Reference Entity**").

#### **ii) Additional Amount**

The Additional Amount is linked to the performance of the Underlying on the relevant Observation Date. Subject to the occurrence of a Risk Event and/or Conversion Event (s. below) and/or Enforcement Event, the Securities pay an Additional Amount on the relevant additional amount payment date.

The Underlying is either a share or depositary receipt, an Index, or a Fund.

### ***Redemption at maturity***

If no Risk Event or Enforcement Event has occurred, the Cash Collect Bond Linked Equity Securities will be redeemed on the Maturity Date by payment of the Redemption Amount per Security.

The Redemption Amount is equal to the Conditional Minimum Redemption Amount.

### ***Additional Amount***

For *Securities with a conditional Additional Amount* an Additional Amount (k) is paid if the Reference Price on the Observation Date (k) is greater than the Strike, subject to the occurrence of a Risk Event and/or Conversion Event and/or Enforcement Event.

For *Securities with an unconditional Additional Amount* the Additional Amount (k) is paid even if the Reference Price on the Observation Date (k) is equal or less than the Strike, subject to the occurrence of a Conversion Event and/or Risk Event and/or Enforcement Event.

The Additional Amount (k) on the respective Observation Date (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the Performance of the Underlying (k) in relation to the Strike between the Initial Observation Date and the respective Observation Date (k).

The Participation Factor will be specified in the relevant Final Terms.

The Performance of the Underlying (k) is equal to the quotient of (i) R (k) minus the Strike as the numerator and (ii) R (initial).

The Strike is:

- specified by the Issuer in the relevant Final Terms or
- equal to a specified percentage of R (initial).

R (initial) means:

- for *Securities with R (initial) already specified*, the Reference Price as specified in the relevant Final Terms or
- for *Securities with initial Reference Price observation*, the Reference Price on the Initial Observation Date or
- for *Securities with initial average observation*, the equally weighted average (arithmetic average) of the Reference Prices determined on the Initial Observation Dates or
- for *Securities with Best-in observation*, the highest Reference Price on the days specified in the relevant Final Terms or
- for *Securities with Worst-in observation*, the lowest Reference Price on the days specified in the relevant Final Terms.

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

However, for *Securities with an unconditional Additional Amount (k)*, the Additional Amount (k) is not less than the Minimum Additional Amount (k).

For Securities with a Maximum Additional Amount (k), the Additional Amount (k) is not greater than the Maximum Additional Amount (k).

### ***Redemption at Maturity after Conversion***

If a Conversion Event has occurred, the Issuer will be released from its obligation to pay the Additional Amount (k) on the respective Additional Amount Payment Date (k). The Securities shall be redeemed on the Maturity Date at the Settlement Amount.

A Conversion Event is any Extraordinary Event affecting the Underlying as defined in the relevant Final Terms.

The Settlement Amount corresponds to the sum of the Settlement Amount Component 1 and the Settlement Amount Component 2.

#### 1) Settlement Amount Component 1

The Settlement Amount Component 1 is equal to the Redemption Amount.

#### 2) Settlement Amount Component 2

The Settlement Amount Component 2 corresponds to the market value of the sum of all Additional Amounts (k) that would have become due after the occurrence of the Conversion Event (plus respective accrued interest thereon for the period from the respective Observation Date (k) until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining terms as the Securities).

### ***Early Redemption***

If a Risk Event has occurred and a Risk Event Notice has been published at any time during the Risk Event Notice Period (“**Acceleration Event**”), then the Issuer is released from its obligation to redeem the Securities at the Redemption Amount and to pay the Additional Amount (k) and the Securities will be redeemed at the Acceleration Redemption Amount on the Acceleration Redemption Date.

A Risk Event, as specified in the relevant Final Terms, is a credit event in respect of the Reference Entity, the Reference Asset or any of the Reference Entity’s obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Restructuring or Governmental Intervention.

The Acceleration Redemption Amount per Security corresponds to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.

#### 1) Acceleration Redemption Amount Component 1

The Acceleration Redemption Amount Component 1 corresponds to sum of i) the cash amount actually repaid by the Reference Asset at maturity (the “**Reference Asset Redemption Amount**”) and ii) the market value of the defaulted Reference Asset. The Reference Asset market value is assessed by means of an Auction performed according to the procedure provided for in the relevant Final Terms: The Acceleration Redemption Amount Component 1 is calculated based on the cash amount calculated by the Calculation Agent as a result of the Auction of the defaulted Reference Asset and the Reference Asset Redemption Amount.

#### 2) Acceleration Redemption Amount Component 2

The Acceleration Amount Component 2 corresponds to the market value of the sum of all Additional Amounts (k) that would have become due after the occurrence of the Acceleration Event as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Acceleration Event.

### ***Enforcement***

At all times prior to the Maturity Date, an amount of the Reference Asset that is sufficient to cover the Issuer’s liability from the Redemption Amount Component 1 of all outstanding Cash Collect Bond Linked Equity Securities shall be pledged to a Trustee for the benefit of the Security Holders.

In case of failure to pay or insolvency of the Issuer (“**Enforcement Event**”) the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders according to the procedure provided for in the Master Trust Agreement. Thus, with respect to the Conditional Minimum Redemption Amount, the Security Holders don’t bear the credit risk of the Issuer but of the Reference Entity.

The proceeds realised from the enforcement of the Reference Asset will be distributed to the Security Holders on a *pro rata* basis for payment of the relevant Redemption Amount or Settlement Amount as the case may be. As the Trustee is entitled to retain from the proceeds of the enforcement an amount equal to its regular outstanding fees and expenses, the amount to be distributed to the Security Holders may significantly less than the Conditional Minimum Redemption Amount. The Security Holders’ right to claim any due amounts not covered by the Trustee’s payment against the Issuer or the Issuer’s insolvency estate remains unaffected.

## **PRODUCT TYPE 6: PERFORMANCE CASH COLLECT BOND LINKED EQUITY SECURITIES**

### **General description of the Securities**

Performance Cash Collect Bond Linked Equity Securities are securities whose redemption depends on two components: i) the Reference Asset and ii) the Underlying.

The Redemption Amount of the Performance Cash Collect Bond linked Equity Securities corresponds to the sum of the Conditional Minimum Redemption Amount (“**Redemption Amount Component 1**”) and the underlying-linked redemption amount (“**Redemption Amount Component 2**”). Moreover, an Additional Amount will be paid on the respective relevant additional amount payment date (the “**Additional Amount**”) which is based on the performance of the Underlying on the respective Observation Date (k).

i) Redemption Amount Component 1

The Redemption Amount Component 1 is a Conditional Minimum Redemption Amount that corresponds to the repayment amount of the Reference Asset. Subject to the occurrence of a Risk Event and/or Enforcement Event (s. below), the Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount, which may be equal to or less or more than the Nominal Amount.

The Reference Asset is a bond issued either by a corporate, a financial or a sovereign entity (the “**Reference Entity**”).

ii) Redemption Amount Component 2

The Redemption Amount Component 2 is linked to the performance of the Underlying. Subject to the occurrence of a Risk Event and/or Conversion Event (s. below) and/or Enforcement Event, the Securities pay at maturity an additional redemption amount depending on the performance of the Underlying on the Final Observation Date.

The Redemption Amount Component 2 is no less than zero.

iii) Additional Amount

The Additional Amount (k) is linked to the performance of the Underlying on the relevant Observation Date. Subject to the occurrence of a Risk Event and/or Conversion Event and/or Enforcement Event, the Securities pay an Additional Amount on the relevant Additional Amount Payment Date.

The Underlying is either a share or depositary receipt, an Index, or a Fund.

***Redemption at maturity***

If no Risk Event, no Enforcement Event and no Conversion Event has occurred, the Performance Cash Collect Bond Linked Equity Securities will be redeemed on the Maturity Date by payment of the Redemption Amount per Security.

1) Redemption Amount Component 1

The Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount.

2) Redemption Amount Component 2

The Redemption Amount Component 2 is equal to the Nominal Amount multiplied by i) the Performance of the Underlying and ii) the Final Participation Factor.

The Performance of the Underlying is equal to the difference between (i) the quotient of R (final) as the numerator and R (initial) as the denominator and (ii) the Final Strike Level.

The Final Participation Factor and the Final Strike Level will be specified in the respective Final Terms.

R (initial) means:

- for *Securities with R (initial) already specified*, the Reference Price as specified in the relevant Final Terms or
- for *Securities with initial Reference Price observation*, the Reference Price on the Initial Observation Date or
- for *Securities with initial average observation*, the equally weighted average (arithmetic average) of the Reference Prices determined on the Initial Observation Dates or
- for *Securities with Best-in observation*, the highest Reference Price on the days specified in the relevant Final Terms or
  - for *Securities with Worst-in observation*, the lowest Reference Price on the days specified in the relevant Final Terms.

R (final) means:

- for Securities with final Reference Price observation
  - the Reference Price on the Final Observation Date;
- for Securities with final average observation
- the equally weighted average (arithmetic average) of the Reference Prices determined on the Final Observation Dates;

#### ***Additional Amount***

For *Securities with a conditional Additional Amount* an Additional Amount (k) is paid if R (k) is greater than the Strike, subject to the occurrence of a Risk Event and/or Conversion Event and/or Enforcement Event.

For *Securities with an unconditional Additional Amount* the Additional Amount (k) is paid even if R (k) is equal or less than the Strike, subject to the occurrence of a Risk Event and/or Conversion Event and/or Enforcement Event.

The Additional Amount (k) on the respective Observation Date (k) is equal to the Nominal Amount multiplied by (i) the Participation Factor and (ii) the Performance of the Underlying (k) in relation to the Strike between the Initial Observation Date and the respective Observation Date (k).

The Performance of the Underlying (k) is equal to the quotient of (i) R (k) minus the Strike as the numerator and (ii) R (initial).

The Strike is:

- specified by the Issuer in the relevant Final Terms or
- equal to a specified percentage of R (initial).

The Participation Factor will be specified in the relevant Final Terms.

For *Securities with an unconditional Additional Amount (k)*, the Additional Amount (k) is not less than the Minimum Additional Amount (k).

For Securities with a Maximum Additional Amount (k), the Additional Amount (k) is not greater than the Maximum Additional Amount (k).

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

### ***Redemption at Maturity after Conversion***

If a Conversion Event has occurred, the Issuer will be released from its obligation to pay the Additional Amount (k) on the respective Additional Amount Payment Date (k). The Securities shall be redeemed on the Maturity Date at the Settlement Amount.

A Conversion Event is any Extraordinary Event affecting the Underlying as defined in the relevant Final Terms.

The Settlement Amount corresponds to the sum of the Settlement Amount Component 1 and the Settlement Amount Component 2.

#### 1) Settlement Amount Component 1

The Settlement Amount Component 1 is equal to the Conditional Redemption Amount.

#### 2) Settlement Amount Component 2

The Settlement Amount Component 2 corresponds to the market value of the sum of the Redemption Amount Component 2 and all Additional Amounts (k) that would have become due after the occurrence of the Conversion Event (plus respective accrued interest thereon for the period from the respective Observation Date until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining terms as the Securities).

### ***Early Redemption***

If a Risk Event has occurred and a Risk Event Notice has been published at any time during the Risk Event Notice Period (“**Acceleration Event**”), then the Issuer is released from its obligation to redeem the Securities at the Redemption Amount and to pay the Additional Amount (k) and the Securities will be redeemed at the Acceleration Redemption Amount on the Acceleration Redemption Date.

A Risk Event, as specified in the relevant Final Terms, is a credit event in respect of the Reference Entity, the Reference Asset or any of the Reference Entity’s obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Restructuring or Governmental Intervention.

The Acceleration Redemption Amount per Security corresponds to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.

#### 1) Acceleration Redemption Amount Component 1

The Acceleration Redemption Amount Component 1 corresponds to sum of i) the cash amount actually repaid by the Reference Asset at maturity (the “**Reference Asset Redemption Amount**”) and ii) the market value of the defaulted Reference Asset. The Reference Asset market value is assessed by means of an Auction performed according to the procedure provided for in the relevant Final Terms: The Acceleration Redemption Amount Component 1 is calculated based on the cash amount calculated by the Calculation Agent as a result of the Auction of the defaulted Reference Asset and the Reference Asset Redemption Amount.

#### 2) Acceleration Redemption Amount Component 2

The Acceleration Amount Component 2 corresponds to the market value of the sum of the Redemption Amount Component 2 and all Additional Amounts (k) that would have become due after the occurrence of the Acceleration Event, as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Acceleration Event.

### ***Enforcement***

At all times prior to the Maturity Date, an amount of the Reference Asset that is sufficient to cover the Issuer’s liability from the Redemption Amount Component 1 of all outstanding Performance Cash

Collect Bond Linked Equity Securities shall be pledged to a Trustee for the benefit of the Security Holders.

In case of failure to pay or insolvency of the Issuer (“**Enforcement Event**”) the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders according to the procedure provided for in the Master Trust Agreement. Thus, with respect to the Conditional Minimum Redemption Amount, the Security Holders don’t bear the credit risk of the Issuer but of the Reference Entity.

The proceeds realised from the enforcement of the Reference Asset will be distributed to the Security Holders on a *pro rata* basis for payment of the relevant Redemption Amount or Settlement Amount as the case may be. As the Trustee is entitled to retain from the proceeds of the enforcement an amount equal to its regular outstanding fees and expenses, the amount to be distributed to the Security Holders may significantly less than the Conditional Minimum Redemption Amount. The Security Holders’ right to claim any due amounts not covered by the Trustee’s payment against the Issuer or the Issuer’s insolvency estate remains unaffected.

## **PRODUCT TYPE 7: DIGITAL COUPON BOND LINKED EQUITY SECURITIES**

### **General description of the Securities**

Digital Coupon Bond Linked Equity Securities are securities whose redemption depends on two components: i) the Reference Asset and ii) the Underlying.

The Redemption Amount of the Digital Coupon Bond Linked Equity Securities corresponds at maturity to the Conditional Minimum Redemption Amount.

Moreover, an Additional Amount will be paid on the respective relevant additional amount payment date (the “**Additional Amount (k)**”) depending on the Underlying price on the relevant Observation Date (k).

#### **i) Redemption Amount**

The Redemption Amount is a Conditional Minimum Redemption Amount that corresponds to the repayment amount of the Reference Asset. Subject to the occurrence of a Risk Event and/or Enforcement Event (s. below), the Redemption Amount is equal to the Conditional Minimum Redemption Amount, which may be equal to or less or more than the Nominal Amount.

The Reference Asset is a bond issued either by a corporate, a financial or a sovereign entity (the “**Reference Entity**”).

#### **ii) Additional Amount**

The Additional Amount depends on the Reference Price of the Underlying on the relevant Observation Date (k). Subject to the occurrence of a Conversion Event (s. below), Risk Event and/or Enforcement Event, the Securities pay an Additional Amount (the “**Additional Amount (k)**”) on the relevant additional amount payment date.

The Underlying is either a share or depositary receipt, an Index or a Fund.

### ***Redemption at maturity***

If no Risk Event and no Enforcement Event has occurred, the Digital Coupon Bond Linked Equity Securities will be redeemed on the Maturity Date by payment of the Redemption Amount per Security.

The Redemption Amount is equal to the Conditional Minimum Redemption Amount.

### ***Additional Amount***

An Additional Amount (k) is paid if R (k) is greater than the Strike.

The Strike is:

- specified by the Issuer in the relevant Final Terms or
- equal to a specified percentage of R (initial).

R (k) means the Reference Price on the relevant Observation Date (k). The Additional Amount (k) is a fixed amount specified in the relevant Final Terms.

### ***Redemption at Maturity after Conversion***

If a Conversion Event has occurred, the Issuer will be released from its obligation to pay the Additional Amount (k) on the respective Additional Amount Payment Date (k). The Securities shall be redeemed on the Maturity Date at the Settlement Amount.

A Conversion Event is any Extraordinary Event affecting the Underlying as defined in the relevant Final Terms.

The Settlement Amount corresponds to the sum of the Settlement Amount Component 1 and the Settlement Amount Component 2.

#### 1) Settlement Amount Component 1

The Settlement Amount Component 1 is equal to the Redemption Amount.

#### 2) Settlement Amount Component 2

The Settlement Amount Component 2 corresponds to the market value of the sum of all Additional Amounts (k) that would have become due after the occurrence of the Conversion Event (plus respective accrued interest thereon for the period from the respective Observation Date (k) until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining terms as the Securities).

### ***Early Redemption***

If a Risk Event has occurred and a Risk Event Notice has been published at any time during the Risk Event Notice Period (“**Acceleration Event**”), then the Issuer is released from its obligation to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the Acceleration Redemption Amount on the Acceleration Redemption Date.

A Risk Event, as specified in the relevant Final Terms, is a credit event in respect of the Reference Entity, the Reference Asset or any of the Reference Entity’s obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Restructuring or Governmental Intervention.

The Acceleration Redemption Amount per Security corresponds to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.

#### 1) Acceleration Redemption Amount Component 1

The Acceleration Redemption Amount Component 1 corresponds to sum of i) the cash amount actually repaid by the Reference Asset at maturity (the “**Reference Asset Redemption Amount**”) and ii) the market value of the defaulted Reference Asset. The Reference Asset market value is assessed by means of an Auction performed according to the procedure provided for in the relevant Final Terms: The Acceleration Redemption Amount Component 1 is calculated based on the cash amount calculated by the Calculation Agent as a result of the Auction of the defaulted Reference Asset and the Reference Asset Redemption Amount.

#### 2) Acceleration Redemption Amount Component 2

The Acceleration Amount Component 2 corresponds to the market value of the sum of all Additional Amounts (k) that would have become due after the occurrence of the Acceleration Event as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Acceleration Event.

### ***Enforcement***

At all times prior to the Maturity Date, an amount of the Reference Asset that is sufficient to cover the Issuer's liability from the Redemption Amount Component 1 of all outstanding Digital Coupon Bond Linked Equity Securities shall be pledged to a Trustee for the benefit of the Security Holders.

In case of failure to pay or insolvency of the Issuer ("**Enforcement Event**") the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders according to the procedure provided for in the Master Trust Agreement. Thus, with respect to the Conditional Minimum Redemption Amount, the Security Holders don't bear the credit risk of the Issuer but of the Reference Entity.

The proceeds realised from the enforcement of the Reference Asset will be distributed to the Security Holders on a *pro rata* basis for payment of the relevant Redemption Amount or Settlement Amount as the case may be. As the Trustee is entitled to retain from the proceeds of the enforcement an amount equal to its regular outstanding fees and expenses, the amount to be distributed to the Security Holders may significantly less than the Conditional Minimum Redemption Amount. The Security Holders' right to claim any due amounts not covered by the Trustee's payment against the Issuer or the Issuer's insolvency estate remains unaffected.

## **PRODUCT TYPE 8: TWIN-WIN BOND LINKED EQUITY SECURITIES**

### **General description of the Securities**

Twin-Win Bond Linked Equity Securities are securities whose redemption depends on two components: i) the Reference Asset and ii) the Underlying.

The Redemption Amount of Twin-Win Bond Linked Equity Securities corresponds to the sum of the Conditional Minimum Redemption Amount ("**Redemption Amount Component 1**") and the additional redemption amount ("**Redemption Amount Component 2**").

#### i) Redemption Amount Component 1

The Redemption Amount Component 1 is a Conditional Minimum Redemption Amount that corresponds to the repayment amount of the Reference Asset. Subject to the occurrence of a Risk Event and/or Enforcement Event (s. below), the Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount, which may be equal to or less or more than the Nominal Amount.

The Reference Asset is a bond issued either by a corporate, a financial or a sovereign entity (the "**Reference Entity**").

#### ii) Redemption Amount Component 2

The Redemption Amount Component 2 is linked to the performance of the Underlying. Subject to the occurrence of a Risk Event and/or Conversion Event (s. below) and/or Enforcement Event, the Securities pay at maturity an additional redemption amount depending on the performance of the Underlying.

The Underlying is either a share or depositary receipt, an Index or a Fund.

### ***Redemption at maturity***

If no Risk Event, no Conversion Event and no Enforcement Event has occurred, the Bond Linked Equity Securities will be redeemed on the Maturity Date by payment of the Redemption Amount per Security.

#### 1) Redemption Amount Component 1

The Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount.

#### 2) Redemption Amount Component 2

The payment of the Redemption Amount Component 2 depends on the Performance of the Underlying. If no Barrier Event has occurred, the Securities grant a participation in the absolute Performance of the Underlying according to the Participation Factor. Absolute Performance means that both any positive and any negative Performance of the Underlying has a positive effect on the redemption payment, in that any fall in the price of the Underlying is treated as a price gain upon redemption.

The Redemption Amount Component 2 is calculated as follows:

If no Barrier Event has occurred, the Redemption Amount Component 2 is equal to the Nominal Amount multiplied by the absolute difference, multiplied by the Participation Factor, between the Performance of the Underlying and 1.

If a Barrier Event has occurred, no Redemption Amount Component 2 shall be paid.

The Performance of the Underlying is equal to the quotient of R (final) as the numerator and R (initial) as the denominator.

Absolute difference means that the amount of the difference is used for the purposes of the rest of the calculation without taking into account any preceding minus sign (-).

R (initial) means:

- for *Securities for which R (initial) has already been specified* the Reference Price specified in the respective Final Terms, or
- for *Securities with an initial reference price observation* the Reference Price on the Initial Observation Date or
- for *Securities with an initial average observation* the equally weighted average (arithmetic average) of the Reference Prices determined on the Initial Observation Dates or
- for *Securities with a Best-in observation* the highest Reference Price on the dates specified in the respective Final Terms or
- for *Securities with a Worst-in observation* the lowest Reference Price on the dates specified in the respective Final Terms.

R (final) means:

- for *Securities with a final reference price observation* the Reference Price on the Final Observation Date or
- for *Securities with a final average observation* the equally weighted average (arithmetic average) of the Reference Prices determined on the Final Observation Dates or
- for *Securities with a Best-out observation* the highest Reference Price on the dates specified in the respective Final Terms or
- for *Securities with a Worst-out observation* the lowest Reference Price on the dates specified in the respective Final Terms.

A Barrier Event means:

- for *Securities with continuous barrier observation* the fact that any price of the Underlying reaches or falls below the Barrier during the Barrier Observation Period in the case of continuous observation or
- for *Securities with barrier observation on specific dates* the fact that a Reference Price falls below the Barrier on a Barrier Observation Date.

The Barrier or the method of its determination is specified in the respective Final Terms.

In the case of Twin-Win Cap Bond-linked Equity Securities the Redemption Amount Component 2 is in no case higher than the Maximum Additional Redemption Amount.

### ***Redemption at Maturity after Conversion***

If a Conversion Event has occurred, the Issuer will be released from its obligation to redeem the Securities at the Redemption Amount and shall redeem the Securities on the Maturity Date at the Settlement Amount.

A Conversion Event is any Extraordinary Event affecting the Underlying as defined in the relevant Final Terms.

The Settlement Amount corresponds to the sum of the Settlement Amount Component 1 and the Settlement Amount Component 2.

#### 1) Settlement Amount Component 1

The Settlement Amount Component 1 is equal to the Redemption Amount Component 1.

#### 2) Settlement Amount Component 2

The Settlement Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 (plus accrued interest until the Maturity Date) as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Conversion Event.

### ***Early Redemption***

If a Risk Event has occurred and a Risk Event Notice has been published at any time during the Risk Event Notice Period (“**Acceleration Event**”), then the Issuer is released from its obligation to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the Acceleration Redemption Amount on the Acceleration Redemption Date.

A Risk Event, as specified in the relevant Final Terms, is a credit event in respect of the Reference Entity, the Reference Asset or any of the Reference Entity’s obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Restructuring or Governmental Intervention.

The Acceleration Redemption Amount per Security corresponds to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.

#### 1) Acceleration Redemption Amount Component 1

The Acceleration Redemption Amount Component 1 corresponds to sum of i) the cash amount actually repaid by the Reference Asset at maturity (the “**Reference Asset Redemption Amount**”) and ii) the market value of the defaulted Reference Asset. The Reference Asset market value is assessed by means of an Auction performed according to the procedure provided for in the relevant Final Terms: The Acceleration Redemption Amount Component 1 is calculated based on the cash amount calculated by the Calculation Agent as a result of the Auction of the defaulted Reference Asset and the Reference Asset Redemption Amount.

## 2) Acceleration Redemption Amount Component 2

The Acceleration Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 per Nominal Amount of the Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Acceleration Event.

### ***Enforcement***

At all times prior to the Maturity Date, an amount of the Reference Asset that is sufficient to cover the Issuer's liability from the Redemption Amount Component 1 of all outstanding Twin-Win Bond Linked Equity Securities shall be pledged to a Trustee for the benefit of the Security Holders.

In case of failure to pay or insolvency of the Issuer ("**Enforcement Event**") the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders according to the procedure provided for in the Master Trust Agreement. Thus, with respect to the (Conditional) Minimum Redemption Amount, the Security Holders don't bear the credit risk of the Issuer but of the Reference Entity.

The proceeds realised from the enforcement of the Reference Asset will be distributed to the Security Holders on a *pro rata* basis for payment of the relevant Redemption Amount or Settlement Amount as the case may be. As the Trustee is entitled to retain from the proceeds of the enforcement an amount equal to its regular outstanding fees and expenses, the amount to be distributed to the Security Holders may significantly less than the (Conditional) Minimum Redemption Amount. The Security Holders' right to claim any due amounts not covered by the Trustee's payment against the Issuer or the Issuer's insolvency estate remains unaffected.

## **PRODUCT TYPE 9: WIN-WIN BOND LINKED EQUITY SECURITIES**

### **General description of the Securities**

Win-Win Bond Linked Equity Securities are securities whose redemption depends on two components: i) the Reference Asset and ii) the Underlying.

The Redemption Amount of Win-Win Bond Linked Equity Securities corresponds to the sum of the Conditional Minimum Redemption Amount ("**Redemption Amount Component 1**") and the additional redemption amount ("**Redemption Amount Component 2**").

#### i) Redemption Amount Component 1

The Redemption Amount Component 1 is a Conditional Minimum Redemption Amount that corresponds to the repayment amount of the Reference Asset. Subject to the occurrence of a Risk Event and/or Enforcement Event (s. below), the Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount, which may be equal to or less or more than the Nominal Amount.

The Reference Asset is a bond issued either by a corporate, a financial or a sovereign entity (the "**Reference Entity**").

#### ii) Redemption Amount Component 2

The Redemption Amount Component 2 is linked to the performance of the Underlying. Subject to the occurrence of a Risk Event and/or Conversion Event (s. below) and/or Enforcement Event, the Securities pay at maturity an additional redemption amount depending on the performance of the Underlying.

The Underlying is either a share or depositary receipt, an Index or a Fund.

### ***Redemption at maturity***

If no Risk Event, no Conversion Event and no Enforcement Event has occurred, the Win-Win Bond Linked Equity Securities will be redeemed on the Maturity Date by payment of the Redemption Amount per Security.

#### 1) Redemption Amount Component 1

The Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount.

#### 2) Redemption Amount Component 2

The payment of the Redemption Amount Component 2 depends on the Performance of the Underlying. The Securities grant a participation in the absolute Performance of the Underlying according to the Participation Factor. Absolute Performance means that both any positive and any negative Performance of the Underlying has a positive effect on the redemption payment, in that any fall in the price of the Underlying is treated as a price gain upon redemption.

The Redemption Amount Component 2 is equal to the Nominal Amount multiplied by the absolute difference, multiplied by the Participation Factor, between the Performance of the Underlying and 1.

The Performance of the Underlying is equal to the quotient of R (final) as the numerator and R (initial) as the denominator.

Absolute difference means that the amount of the difference is used for the purposes of the rest of the calculation without taking into account any preceding minus sign (-).

R (initial) means:

- for *Securities for which R (initial) has already been specified* the Reference Price specified in the respective Final Terms, or
- for *Securities with an initial reference price observation* the Reference Price on the Initial Observation Date or
- for *Securities with an initial average observation* the equally weighted average (arithmetic average) of the Reference Prices determined on the Initial Observation Dates or
- for *Securities with a Best-in observation* the highest Reference Price on the dates specified in the respective Final Terms or
- for *Securities with a Worst-in observation* the lowest Reference Price on the dates specified in the respective Final Terms.

R (final) means:

- for *Securities with a final reference price observation* the Reference Price on the Final Observation Date or
- for *Securities with a final average observation* the equally weighted average (arithmetic average) of the Reference Prices determined on the Final Observation Dates or
- for *Securities with a Best-out observation* the highest Reference Price on the dates specified in the respective Final Terms or
- for *Securities with a Worst-out observation* the lowest Reference Price on the dates specified in the respective Final Terms.

In the case of Win-Win Cap Bond-linked Equity Securities the Redemption Amount Component 2 is in no case higher than the Additional Maximum Redemption Amount.

### ***Redemption at Maturity after Conversion***

If a Conversion Event has occurred, the Issuer will be released from its obligation to redeem the Securities at the Redemption Amount and shall redeem the Securities on the Maturity Date at the Settlement Amount.

A Conversion Event is any Extraordinary Event affecting the Underlying as defined in the relevant Final Terms.

The Settlement Amount corresponds to the sum of the Settlement Amount Component 1 and the Settlement Amount Component 2.

#### 1) Settlement Amount Component 1

The Settlement Amount Component 1 is equal to the Redemption Amount Component 1.

#### 2) Settlement Amount Component 2

The Settlement Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 (plus accrued interest until the Maturity Date) as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Conversion Event.

### ***Early Redemption***

If a Risk Event has occurred and a Risk Event Notice has been published at any time during the Risk Event Notice Period (“**Acceleration Event**”), then the Issuer is released from its obligation to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the Acceleration Redemption Amount on the Acceleration Redemption Date.

A Risk Event, as specified in the relevant Final Terms, is a credit event in respect of the Reference Entity, the Reference Asset or any of the Reference Entity’s obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Restructuring or Governmental Intervention.

The Acceleration Redemption Amount per Security corresponds to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.

#### 1) Acceleration Redemption Amount Component 1

The Acceleration Redemption Amount Component 1 corresponds to sum of i) the cash amount actually repaid by the Reference Asset at maturity (the “**Reference Asset Redemption Amount**”) and ii) the market value of the defaulted Reference Asset. The Reference Asset market value is assessed by means of an Auction performed according to the procedure provided for in the relevant Final Terms: The Acceleration Redemption Amount Component 1 is calculated based on the cash amount calculated by the Calculation Agent as a result of the Auction of the defaulted Reference Asset and the Reference Asset Redemption Amount.

#### 2) Acceleration Redemption Amount Component 2

The Acceleration Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 per Nominal Amount of the Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Acceleration Event.

### ***Enforcement***

At all times prior to the Maturity Date, an amount of the Reference Asset that is sufficient to cover the Issuer’s liability from the Redemption Amount Component 1 of all outstanding Win-Win Bond Linked Equity Securities shall be pledged to a Trustee for the benefit of the Security Holders.

In case of failure to pay or insolvency of the Issuer (“**Enforcement Event**”) the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders according to the procedure provided for in the Master Trust Agreement. Thus, with respect to the Conditional Minimum Redemption Amount, the Security Holders don’t bear the credit risk of the Issuer but of the Reference Entity.

The proceeds realised from the enforcement of the Reference Asset will be distributed to the Security Holders on a *pro rata* basis for payment of the relevant Redemption Amount or Settlement Amount as the case may be. As the Trustee is entitled to retain from the proceeds of the enforcement an amount equal to its regular outstanding fees and expenses, the amount to be distributed to the Security Holders may significantly less than the Conditional Minimum Redemption Amount. The Security Holders’ right to claim any due amounts not covered by the Trustee’s payment against the Issuer or the Issuer’s insolvency estate remains unaffected.

## **PRODUCT TYPE 10: ICARUS BOND LINKED EQUITY SECURITIES**

### **General description of the Securities**

Icarus Bond Linked Equity Securities are securities whose redemption depends on two components: i) the Reference Asset and ii) the Underlying.

The Redemption Amount of Icarus Bond Linked Equity Securities corresponds to the sum of the Conditional Minimum Redemption Amount (“**Redemption Amount Component 1**”) and the additional redemption amount (“**Redemption Amount Component 2**”).

#### i) Redemption Amount Component 1

The Redemption Amount Component 1 is a Conditional Minimum Redemption Amount that corresponds to the repayment amount of the Reference Asset. Subject to the occurrence of a Risk Event and/or Enforcement Event (s. below), the Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount, which may be equal to or less or more than the Nominal Amount.

The Reference Asset is a bond issued either by a corporate, a financial or a sovereign entity (the “**Reference Entity**”).

#### ii) Redemption Amount Component 2

The Redemption Amount Component 2 is linked to the performance of the Underlying. Subject to the occurrence of a Risk Event and/or Conversion Event (s. below) and/or Enforcement Event, the Securities pay at maturity an additional redemption amount depending on the performance of the Underlying.

The Underlying is either a share or depositary receipt, an Index or a fund.

### ***Redemption at maturity***

If no Risk Event, no Conversion Event and no Enforcement Event has occurred, the Bond Linked Equity Securities will be redeemed on the Maturity Date by payment of the Redemption Amount per Security.

#### 1) Redemption Amount Component 1

The Redemption Amount Component 1 is equal to the Conditional Minimum Redemption Amount.

#### 2) Redemption Amount Component 2

The payment of the Redemption Amount Component 2 depends on the Performance of the Underlying. If no Barrier Event has occurred, the payment is based, in accordance with the Participation Factor, on the Performance of the Underlying. If no Barrier Event has occurred, the

Securities grant a participation in the absolute Performance of the Underlying according to the Participation Factor. If a Barrier Event has occurred, the payment is limited to a Bonus Amount irrespective of the Performance of the Underlying.

The Redemption Amount Component 2 is calculated as follows:

If no Barrier Event has occurred, the Redemption Amount Component 2 is equal to the Nominal Amount multiplied by the absolute difference, multiplied by the Participation Factor, between the Performance of the Underlying and 1.

If a Barrier Event has occurred, the Redemption Amount Component 2 is equal to the Bonus Amount.

The Performance of the Underlying is equal to the quotient of R (final) as the numerator and R (initial) as the denominator. The Bonus Amount is specified in the applicable Final Terms.

R (initial) means:

- for *Securities for which R (initial) has already been specified* the Reference Price specified in the respective Final Terms, or
- for *Securities with an initial reference price observation* the Reference Price on the Initial Observation Date or
- for *Securities with an initial average observation* the equally weighted average (arithmetic average) of the Reference Prices determined on the Initial Observation Dates or
- for *Securities with a Best-in observation* the highest Reference Price on the dates specified in the respective Final Terms or
- for *Securities with a Worst-in observation* the lowest Reference Price on the dates specified in the respective Final Terms.

R (final) means:

- for *Securities with a final reference price observation* the Reference Price on the Final Observation Date or
- for *Securities with a final average observation* the equally weighted average (arithmetic average) of the Reference Prices determined on the Final Observation Dates or
- for *Securities with a Best-out observation* the highest Reference Price on the dates specified in the respective Final Terms or
- for *Securities with a Worst-out observation* the lowest Reference Price on the dates specified in the respective Final Terms.

A Barrier Event means:

- for *Securities with continuous barrier observation* the fact that any price of the Underlying reaches or falls below the Barrier during the Barrier Observation Period in the case of continuous observation or
- for *Securities with barrier observation on specific dates* the fact that a Reference Price falls below the Barrier on a Barrier Observation Date.

The Barrier or the method of its determination is specified in the respective Final Terms.

### ***Redemption at Maturity after Conversion***

If a Conversion Event has occurred, the Issuer will be released from its obligation to redeem the Securities at the Redemption Amount and shall redeem the Securities on the Maturity Date at the Settlement Amount.

A Conversion Event is any Extraordinary Event affecting the Underlying as defined in the relevant Final Terms.

The Settlement Amount corresponds to the sum of the Settlement Amount Component 1 and the Settlement Amount Component 2.

1) Settlement Amount Component 1

The Settlement Amount Component 1 is equal to the Redemption Amount Component 1.

2) Settlement Amount Component 2

The Settlement Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 (plus accrued interest until the Maturity Date) as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Conversion Event.

***Early Redemption***

If a Risk Event has occurred and a Risk Event Notice has been published at any time during the Risk Event Notice Period (“**Acceleration Event**”), then the Issuer is released from its obligation to redeem the Securities at the Redemption Amount and the Securities will be redeemed at the Acceleration Redemption Amount on the Acceleration Redemption Date.

A Risk Event, as specified in the relevant Final Terms, is a credit event in respect of the Reference Entity, the Reference Asset or any of the Reference Entity’s obligations (either directly or as provider of a guarantee), such as Bankruptcy, Failure to Pay, Restructuring or Governmental Intervention.

The Acceleration Redemption Amount per Security corresponds to the sum of the Acceleration Redemption Amount Component 1 and the Acceleration Redemption Amount Component 2.

1) Acceleration Redemption Amount Component 1

The Acceleration Redemption Amount Component 1 corresponds to sum of i) the cash amount actually repaid by the Reference Asset at maturity (the “**Reference Asset Redemption Amount**”) and ii) the market value of the defaulted Reference Asset. The Reference Asset market value is assessed by means of an Auction performed according to the procedure provided for in the relevant Final Terms: The Acceleration Redemption Amount Component 1 is calculated based on the cash amount calculated by the Calculation Agent as a result of the Auction of the defaulted Reference Asset and the Reference Asset Redemption Amount.

2) Acceleration Redemption Amount Component 2

The Acceleration Amount Component 2 corresponds to the market value of the Redemption Amount Component 2 per Nominal Amount of the Security as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) within ten Banking Days following the occurrence of the Acceleration Event.

***Enforcement***

At all times prior to the Maturity Date, an amount of the Reference Asset that is sufficient to cover the Issuer’s liability from the Redemption Amount Component 1 of all outstanding Icarus Bond Linked Equity Securities shall be pledged to a Trustee for the benefit of the Security Holders.

In case of failure to pay or insolvency of the Issuer (“**Enforcement Event**”) the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders according to the procedure provided for in the Master Trust Agreement. Thus, with respect to the Conditional Minimum Redemption Amount, the Security Holders don’t bear the credit risk of the Issuer but of the Reference Entity.

The proceeds realised from the enforcement of the Reference Asset will be distributed to the Security Holders on a *pro rata* basis for payment of the relevant Redemption Amount or Settlement Amount as the case may be. As the Trustee is entitled to retain from the proceeds of the enforcement an amount equal to its regular outstanding fees and expenses, the amount to be distributed to the Security Holders may significantly less than the Conditional Minimum Redemption Amount. The Security Holders' right to claim any due amounts not covered by the Trustee's payment against the Issuer or the Issuer's insolvency estate remains unaffected.

## 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 Reference Asset Data (the "**Product and Reference Asset 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.

For each Tranche of Securities the Final Terms will be published as a separate document and will contain:

- (a) information on the relevant options contained in the General Conditions,
- (b) a consolidated version of the Product [and] Reference Asset Data [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 Issuance of additional Securities, Repurchase
- § 8 Presentation Period
- § 9 Partial Invalidity, Corrections
- § 10 Applicable Law, Place of Performance, Place of Jurisdiction

### **Part B – Product [and][,] Reference Asset Data [and Underlying Data]**

- § 1 Product Data
- § 2 Reference Asset Data [and Underlying Data]
- [§ 3 Underlying Data]

### **Part C – Special Conditions of the Securities**

*[Product Type 1: Fix Rate Reference Asset linked Securities*

*Product Type 2: Floating Rate Reference Asset linked Securities*

Section 1 – Special Conditions of the Securities

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 3 Payments, Deliveries

Section 2 – Reference Asset Event Conditions

- § 1 Definitions
- § 2 Early Redemption]

*[Product Type 3: Bond linked Equity Securities [with Cap]*

*Product Type 4: All Time High [Cap] Bond Linked Equity Securities*

- § 1 Definitions
- § 2 Interest
- § 3 Redemption]

*[Product Type 5: Cash Collect Bond Linked Equity Securities*

*Product Type 6: Performance Cash Collect Bond Linked Equity Securities*

*Product Type 7: Digital Coupon Bond Linked Equity Securities*

§ 1 Definitions

§ 2 Interest, Additional Amount

§ 3 Redemption]

*[Product Type 8: Twin-Win Bond Linked Equity Securities*

*Product Type 9: Win-Win Bond Linked Equity Securities*

*Product Type 10: Icarus Bond Linked Equity Securities*

§ 1 Definitions

§ 2 Interest

§ 3 Redemption]

*[Special Conditions that apply to all Bond Linked Equity Notes:*

§ 4 Issuer's Early Redemption Right

§ 5 Issuer's Extraordinary Conversion Right

§ 5a Enforcement Event

§ 6 Payments

§ 7 Market Disruptions

[§ 8 Adjustment, Replacement Specification]

[§ 8 Index Concept, Adjustment, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification]

[§ 8 Adjustment, Replacement Underlying, Replacement Management Company, Replacement Specification]

[§ 8 Index Concept, Adjustment, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification] ]

*Part A – General Conditions of the Securities*

**PART A - GENERAL CONDITIONS OF THE SECURITIES**

(the "**General Conditions**")

**§ 1**

**Form, Clearing System, Global Note, Custody**

- (1) *Form:* This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (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.<sup>3</sup>

*[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 as co-ownership interests in the Global Note may be transferred pursuant to the relevant regulations of the Clearing System. *[In the case of interest-bearing Securities, the following applies:* The right to receive interest is represented by the Global Note.]]

*[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, 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

<sup>3</sup> The Nominal amount shall be not less than 1,000 Euro.

<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 TEFRA rules under the tax code of the United States of America ("U.S."). Generally, debt instruments in bearer form 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.**

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 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 Securities, the following applies:* The right to receive interest is represented by the Permanent Global Note.]

"**U.S. persons**" means (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes and (v) where the context requires, means such persons as defined in Regulation S of the United States Securities Act of 1933, as amended.]

- (3) *Custody:* The Global Note will be [kept in custody by the Clearing System][issued in classical global note form and will be kept in custody by a common depository on behalf of both ICSDs][●].

"**Clearing System**" means [Clearstream Banking AG, Frankfurt am Main ("**CBF**")][Clearstream Banking société anonyme, 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**")][*insert other relevant clearing system*].

## § 2

### **Principal Paying Agent, Paying Agent, Calculation Agent**

- (1) *Paying Agents:* The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich] [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 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.
- (3) *Transfer of functions:* Should any event occur which results in the Principal Paying Agent or Calculation Agent being unable to continue in its function as Principal Paying Agent or Calculation Agent, the Issuer is obliged to appoint another bank of international standing as Principal 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 promptly by the Issuer pursuant to § 6 of the General Conditions.
- (4) *Agents of the Issuer:* In connection with the Securities, the Principal 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.

The Principal Paying Agent and the Paying Agents shall be exempt from the restrictions of § 181 German Civil Code (*Bürgerliches Gesetzbuch*, "**BGB**").

### § 3

#### **Taxes**

*No gross up:* Payments in respect of the Securities shall only be made after deduction and withholding of current or future taxes, to the extent that such deduction or withholding is required by law. In this regard the term "**Taxes**" includes taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected 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, including a withholding tax pursuant to Section 871(m) of the United States Internal Revenue Code of 1986 ("**871(m) Withholding Tax**").

The Issuer shall in any case be entitled to take into consideration the 871(m) Withholding Tax by applying the maximum tax rate as a flat rate (plus value added tax, if applicable). In no case the Issuer is obliged to compensate with respect to any Taxes deducted or withheld.

The Issuer shall report on the deducted and withheld Taxes to the competent government agencies, except, these obligations are imposed upon any other person involved, subject to the legal and contractual requirements of the respective applicable tax rules.

### § 4

#### **Status**

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.

### § 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,
  - (b) the Issuer and the New Issuer have obtained all necessary authorizations 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) 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) the Issuer guarantees proper payment of the amounts due under these Terms and 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

### 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.

## § 8

### Presentation Period

The presentation period provided in § 801 paragraph 1 sentence 1 BGB is reduced to ten years for the Securities.

## § 9

### 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 promptly 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 order his custodian 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. Upon such offer to continue and within four weeks after the offer becomes effective pursuant to § 6 of the General Conditions, the Security Holder is entitled to demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his custodian 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 (§ 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 § 1 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 (§ 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 Securities, the Issuer is entitled to adhere to the Terms and Conditions amended accordingly irrespective of paragraphs (2) to (5) above.

## **§ 10**

### **Applicable Law, Place of Performance, Place of Jurisdiction**

- (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, Germany.
- (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, Germany.

*Part B – Product [and] [,] Reference Asset Data [and Underlying Data]*

**PART B – PRODUCT [AND] [,] REFERENCE ASSET DATA [AND UNDERLYING DATA]**

(the "Product [and] [,] Reference Asset Data [and Underlying Data]")

**§ 1**

**Product Data**

**[Additional Amount (k):** *[Insert amounts for each Additional Amount Payment Date (k)]*

**[Additional Amount Payment Date (k):** *[Insert]*

**Aggregate Nominal Amount of the Securities [in Specified Currency]:** *[Insert]*

**[Banking Day Financial Centre:** *[Insert]*

**[Barrier:** *[Insert]*

**[Barrier Level:** *[Insert]*

**[Barrier Observation Date[s]:** *[Insert]*

**[Bonus Amount:** *[Insert]*

**[Common Code:** *[Insert]*

**[Conditional Minimum Redemption Amount:** *[Insert]*

**[Discount:** *[Insert]*

**[Final Observation Date[s]:** *[Insert]*

**[Final Strike Level:** *[Insert]*

**[Final Participation Factor:** *[Insert]*

**[First Day of the Barrier Observation Period:** *[Insert]*

**[First Day of the Best-out Period:** *[Insert]*

**[First Day of the Worst-out Period:** *[Insert]*

**[First Trade Date:** *[Insert]*

*[In the case of FX spot rate conversions, the following applies:*

**Fixing Sponsor:** *[Insert]*

**[Floor Level:** *[Insert]*

**[FX Screen Page:** *[Insert]*

**[FX Exchange Rate:** *[Insert]*

**[Interest Adjustment Amount:** *[Insert aggregate amount in respect of all Securities][in respect of each Interest Calculation Date][include schedule relating to each Interest Calculation Date][in the [Specified Currency][Reference Currency]*

**[Interest Calculation Date:** *[Each] [Insert]*

**[Interest Commencement Date:** *[Issue Date] [Insert]*

**[Interest End Date:** *[Scheduled Reference Asset Maturity Date][Insert]*

**[Interest Payment Date:** *[Insert] [[●] Banking Days following the*

	respective Interest Calculation Date]]
<b>[Interest Rate:</b>	<i>[Insert]]</i>
<b>[Interpolation:</b>	<i>[Linear Interpolation][not applicable]]</i>
<b>ISIN:</b>	<i>[Insert]</i>
<b>Issue Date:</b>	<i>[Insert]</i>
<b>Issue Price:</b>	<i>[Insert]<sup>4</sup></i>
<b>Issue Volume of Series in Units [in Specified Currency]:</b>	<i>[Insert]</i>
<b>Issue Volume of Tranche in Units [in Specified Currency]:</b>	<i>[Insert]</i>
<b>Issuing Agent:</b>	<i>[Insert name and address of the Issuing Agent]</i>
<b>[k: [Insert consecutive number]]</b>	
<b>[Last Day of the Barrier Observation Period: [Insert]]</b>	
<b>[Last Day of the Best-in Period:</b>	<i>[Insert]]</i>
<b>[Last Day of the Worst-in Period:</b>	<i>[Insert]]</i>
<b>[Leverage Factor:</b>	<i>[Insert leverage factor in per cent.]]</i>
<b>[Maturity Date:</b>	<i>[Insert]]</i>
<b>[Maximum Additional Amount [(k):</b>	<i>[Insert]]</i>
<b>[Maximum Additional Redemption Amount: [Insert]]</b>	
<b>[Maximum Interest Rate:</b>	<i>[Insert]]</i>
<b>[Minimum Additional Amount (k):</b>	<i>[Insert]]</i>
<b>[Minimum Interest Rate:</b>	<i>[Insert]]</i>
<b>Nominal Amount:</b>	<i>[Insert]</i>
<b>[Observation Date (k):</b>	<i>[Insert]]</i>
<b>[Participation Factor:</b>	<i>[Insert]]</i>
<b>[Participation Factor<sub>Best</sub>:</b>	<i>[Insert]]</i>
<b>[Premium:</b>	<i>[Insert]]</i>
<b>[Principal Paying Agent:</b>	<i>[Insert]]</i>
<b>[R (initial):</b>	<i>[Insert]]</i>
<b>[Ratio:</b>	<i>[Insert]]</i>
<b>[Redemption Adjustment Amount:</b>	<i>[Insert aggregate amount in respect of all Securities in the [Specified Currency][Reference Currency]]</i>
<b>[Reference Price:</b>	<i>[Insert]]</i>
<b>[Reference Rate:</b>	<i>[[●]-[Months]- [EURIBOR][LIBOR][MOSPRIME][Insert rate as a percentage per annum with corresponding</i>

<sup>4</sup> If the Issue Price has not been specified at the time of creation of the Final Terms the method of determining the price and the process for its disclosure will be specified in Section A – General Information of the Final Terms and the column will be deleted.

*maturity in case of Securities with floating interest]]*

<b>[Reference Rate Financial Centre:</b>	<i>[Insert]]</i>
<b>[Reuters:</b>	<i>[Insert]]</i>
<b>[Scheduled Maturity Date:</b>	<i>[Insert]]</i>
<b>[Screen Page:</b>	<i>[&lt;MOSPRIME1&gt;, &lt;MOSPRIME=&gt;][Insert]]</i>
<b>Series Number:</b>	<i>[Insert]</i>
<b>[Settlement Method:</b>	<i>[Cash Settlement][Physical Settlement]]</i>
<b>[Specified Currency:</b>	<i>[Reference Currency][Insert]]</i>
<b>[Specified Interest Amount:</b>	<i>[Insert amount in respect of all Securities]] [in respect of each Interest Payment Date][include schedule relating to each Interest Payment Date]</i>
<b>[Specified Redemption Amount:</b>	<i>[Insert aggregate amount in respect of all Securities]]</i>
<b>[Strike:</b>	<i>[Insert]]</i>
<b>[Strike Level:</b>	<i>[Insert]]</i>
<b>Tranche Number:</b>	<i>[Insert]</i>
<b>Website for Notices:</b>	<i>[Insert]</i>
<b>Website of the Issuer:</b>	<i>[Insert]</i>
<b>[WKN:</b>	<i>[Insert]]</i>

§ 2

**Reference Asset Data [and Underlying Data]**

<b>Reference Asset:</b>	[Bond] [Loan] [Assignable loan ( <i>Schuldscheindarlehen</i> )]
<b>[Reference Asset [Interest][Reference] Rate:</b>	[[●]-[Months]- [EURIBOR][LIBOR][MOSPRIME] [ <i>Insert relevant interest and maturity where applicable</i> ]]
<b>Reference Entity:</b>	[ <i>Insert</i> ]
<b>[Reference Currency:</b>	[EUR] [ <i>Insert currency in which the Reference Asset is denominated</i> ]]
<b>[Aggregate Reference Asset Nominal Amount:</b>	[ <i>Insert aggregate nominal amount of the Reference Asset</i> ]]
<b>[Scheduled Reference Asset Maturity Date:</b>	[ <i>Insert expected redemption date</i> ]]
<b>[Scheduled Reference Asset Interest Payment Date[s]:</b>	[ <i>Insert expected interest payment date(s)</i> ]]
<b>[Reference Asset Value Threshold:</b>	[ <i>Insert threshold expressed as an absolute amount in the [Specified Currency][Reference Currency]</i> ]]
<b>[ISIN:</b>	[ <i>Insert</i> ]]
<b>[WKN</b>	[ <i>Insert</i> ]]
<b>[Bloomberg/Reuters:</b>	[ <i>Insert</i> ]]
<b>[Website:</b>	[ <i>Insert Website where information on the performance and volatility of the Reference Asset can be found</i> ]]
<b>[Risk Event(s):</b>	[Unscheduled Redemption] [Cashflow Discrepancy] [Material Amount: [●]] [Grace Period: [●]] [Reference Asset Value Event] [Custody Event] [FX Disruption Event] [Change in Law] [Hedging Disruption] [Credit Event in respect of the Reference Entity and the Reference Asset [ <i>Insert where Credit Events apply to Obligations: or one or more of the Obligations</i> ]] [Bankruptcy] [Failure to Pay]

**[Credit Event(s):**

[Governmental Intervention]

[Restructuring]

[Bankruptcy]

[Failure to Pay]

[Grace Period: [●]]

[Payment Requirement: [●]]

[Governmental Intervention]

[Obligation Default]

[Obligation Acceleration]

[Repudiation/Moratorium]

[Restructuring]

[Default Requirement: [●]]

**[Scheduled Reference Asset Interest Amounts and Scheduled Reference Asset Interest Payment Date(s)**

**[Scheduled Reference Asset Interest Payment Date]**

**[Scheduled Reference Asset Interest Amount]**

**[in the Reference Currency]**

**[in the Specified Currency]**

**[Interest Adjustment Amount(s)]**

**in the [Reference Currency][Specified Currency]**

*[Insert expected interest payment date]*

*[Insert interest amounts in Reference Currency or formula]*

*[Insert interest amounts in Specified Currency or formula]*

*[Insert interest adjustment amount(s)]*

]

**[Scheduled Reference Asset Redemption Amount**

**[Redemption Adjustment Amount**

**[in the Reference Currency]**

**[in the Specified Currency]**

**in the [Specified Currency][Reference Currency]**

*[Insert expected redemption amounts in Reference Currency]*

*[Insert expected redemption amounts in Specified Currency]*

*[Insert redemption adjustment amount]*

]

**[Scheduled Reference Asset Maturity Date:**

*[Insert expected maturity date]*

[§ 3

**Underlying Data**

*[In the case of Bond-linked Equity Securities linked to a share or a depository receipt as Underlying, the following applies:]*

**[Table 3.1:]**

<b>Underlying</b>	<b>Underlying Currency</b>	<b>[WKN]</b>	<b>[ISIN]</b>	<b>[Reuters]</b>	<b>[Bloomberg]</b>	<b>Relevant Exchange</b>	<b>Website</b>
<i>[Insert name of Underlying]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert RIC]</i>	<i>[Insert Bloomberg ticker]</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 each successor page).]

*[In the case of Bond-linked Equity Securities linked to an index as Underlying, the following applies:]*

**[Table 3.1:]**

<b>Underlying</b>	<b>[Index Type]</b>	<b>Underlying Currency</b>	<b>[WKN]</b>	<b>[ISIN]</b>	<b>[Reuters]</b>	<b>[Bloomberg]</b>	<b>Index Sponsor</b>	<b>Index Calculation Agent</b>	<b>Website</b>
<i>[Insert name of Underlying]</i>	<i>[Price Return]</i> <i>[Net Return]</i> <i>[Total Return]</i> <i>[Excess Return]</i> <i>[Distributing Index]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert RIC]</i>	<i>[Insert Bloomberg ticker]</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).]

*[In the case of Bond-linked Equity Securities linked to a fund as Underlying, the following applies:*

**[Table 3.1:**

<b>Underlying</b>	<b>Underlying Currency</b>	<b>[WKN]</b>	<b>[ISIN]</b>	<b>[Reuters]</b>	<b>[Bloomberg]</b>	
<i>[Insert name of Underlying]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert]</i>	<i>[Insert RIC]</i>	<i>[Insert Bloomberg ticker]</i>	

**[Table 3.2:**

<b>Underlying</b>	<b>[Administrator]</b>	<b>[Investment Adviser]</b>	<b>[Custodian Bank]</b>	<b>[Management Company]</b>	<b>[Portfolio Manager]</b>	<b>[Relevant Exchange]</b>	<b>[Auditor]</b>	<b>[Website]</b>
<i>[Insert name of Underlying]</i>	<i>[Insert]</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")

*[Product Type 1: Fix Rate Reference Asset linked Securities*

*Product Type 2: Floating Rate Reference Asset linked Securities*

*[In the case of [Fix Rate] [Floating Rate] Reference Asset linked Securities, the following applies:*

**SECTION 1 - SPECIAL CONDITIONS OF THE SECURITIES**

**§ 1**

**Definitions**

"**Affiliate**" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

"**Aggregate Nominal Amount**" of the Securities is the amount specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

"**Aggregate Reference Asset Nominal Amount**" means the aggregate Nominal Amount of the Reference Asset as specified in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

*[Insert if Specified Currency is Euro:*

"**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) (the "**TARGET2**") are open for business [*In the case of additional Banking Day Financial Centres, the following applies: and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.*]

*[Insert if Specified Currency is not Euro or other Banking Day Financial Centres are applicable:*

"**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.]

[ "**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

"**Bond Holder**" means a holder of the Reference Bond which is domiciled in [the jurisdiction of the Issuer of the Securities][•].

"**Calculation Agent**" means the Calculation Agent as specified in § 2 (2) of the General Conditions.

*[Insert if Risk Event "Change in Law" is applicable:*

"**Change in Law**" means that, due to

- (i) an enactment, promulgation, execution or ratification of, or any change in or amendment to, any law, rule or regulation (including tax law) or the application or official interpretation of any law, rule or regulation (including tax law) or

- (ii) any action taken by an authority or brought to a court of competent jurisdiction that takes effect on or after the Issue Date, the Issuer determines in its reasonable discretion (§ 315 BGB) that:
- (a) it is or will be unable to perform its obligations under the Securities, in whole or in part; or
  - (b) it has, or it will, become illegal or otherwise impossible for the Issuer and/or any of its Affiliates and/or a Reference Holder and/or a Reference Entity to hold, acquire, or dispose of or otherwise deal with assets (including but not limited to the Reference Asset) that are needed in order to hedge price risks or other risks with regard to obligations under the Securities; or
  - (c) it has, or it will, become illegal or otherwise impossible for the Issuer and/or any of its Affiliates and/or a Reference Holder and/or a Reference Entity to enter into any swap or hedging transactions in connection with the Securities, including (but not limited to) any currency hedging transaction, interest rate swap or asset swap transaction; or
  - (d) the Issuer or any of its Affiliates has incurred or will incur a materially increased cost in performing their obligations under the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or a requirement to pay any Tax or withhold for or on account of any Tax or other adverse effect on their tax position); or
  - (e) any event which has an analogous effect to any of the events specified in (a) to (d).]

**"Credit Event"** means any of the events specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

**"Currency Disruption"** means that due to the occurrence of special circumstances or force majeure (such as catastrophes, war, terror, insurgency, restrictions on payment transactions, entering of the currency used for the calculation into the European Economic Monetary Union, withdrawing of the relevant country from the European Economic Monetary Union and other circumstances having a comparable impact on FX), the reliable determination of FX is impossible or impracticable.]

**"Discount"** means the Discount as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

*[Insert in case of Securities with a EURIBOR as Reference Rate:*

**"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.]

*[Insert if Risk Event "FX Disruption Event" is applicable:*

**"Event Currency Jurisdiction"** means the country for which the Specified Currency or the Reference Currency (as the case may be) is the lawful currency.

**"FX"** means the official fixing of the FX Exchange Rate as published by the Fixing Sponsor on the FX Screen Page (or any successor page).

**"FX Disruption Event"** means

- (i) any event that occurs on or after the Issue Date that makes it (for reasons beyond the control of the Issuer or any of its Affiliates) impossible or unreasonable to
  - (a) convert the Reference Currency into the Specified Currency or vice versa on a day on which a currency conversion is required or

- (b) deliver or take delivery of (a) the Specified Currency or the Reference Currency from accounts inside the Event Currency Jurisdiction to accounts outside the Event Currency Jurisdiction or (b) the Specified Currency or the Reference Currency between accounts inside the Event Currency Jurisdiction or to a party that is a non-resident of the Event Currency Jurisdiction on a day on which a currency delivery is required, including but not limited to:
  - (A) the inability to obtain the FX Exchange Rate on the FX Valuation Date on the relevant FX Screen Page;
  - (B) the occurrence of an event or circumstance that makes it impossible or unreasonable for the Calculation Agent to obtain a firm quote to determine the FX Exchange Rate for an amount that equals the Reference Asset Interest Amount or the Reference Asset Redemption Amount;
  - (C) the enforcement of any applicable law or the adoption of, or any change in, any applicable law after the Issue Date which has the effect of imposing any exchange controls, limitations or restrictions on the convertibility of the Reference Currency into the Specified Currency or vice versa,

which occurs and subsists for [5][●] or more subsequent Banking Days; or

- (ii) the occurrence of a Currency Disruption; and
- (iii) any event which has an analogous effect to any of the events specified in (i) and (ii).

The occurrence of a Disruption Even shall be notified to the Security Holders pursuant to § 6 of the General Conditions.]

**"FX Exchange Rate"** means the exchange rate for the conversion [of [the Specified Currency into the Reference Currency] [the Reference Currency into the Specified Currency]] [as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)].

**"FX Screen Page"** means the screen page specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

**"Fixing Sponsor"** means the fixing sponsor specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

**"FX Valuation Date"** means

[Insert in case of Securities with FX spot rate conversions:

- (i) the [third][●] Banking Day following the [Scheduled] Reference Asset Interest Payment Date or the [Scheduled] Reference Asset Maturity Date (as the case may be);]

[(i)][(ii)] the Risk Event Calculation Date; or

[(ii)][(iii)] any other date on which a conversion of any currency is required under these Terms and Conditions, provided that, if a FX Disruption Event occurs, then subject to the Acceleration Condition being met, the FX Valuation Date shall be

- (a) the [first][●] Banking Day following the day on which such FX Disruption Event ceased to exist; or
- (b) the Risk Event Calculation Date.]

*[Insert if Interest Adjustment Amount(s) are applicable:*

**"Interest Adjustment Amount"** means the amount in respect of all Securities in the [Reference Currency][Specified Currency] specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*) in respect of each Interest Calculation Date.]

**"Interest Amount"** means the Interest Amount as determined pursuant to § 2 (1) of the Special Conditions.]

**"Interest Calculation Dates"** means the dates specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

**"Interest Commencement Date"** means the Interest Commencement Date as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

*[Insert in case of Floating Rate Securities:*

**"Interest Determination Date"** means the [first][second][last] *[insert other number]* [TARGET] [London] *[insert other financial centre]* Banking Day [prior to] [the commencement] [the end] of the respective Interest Period. [[TARGET] [London] *[insert other financial centre]* Banking Day means a day on which [TARGET2 is ready for operation] [commercial banks in [London] *[insert city]* are open for business (including foreign exchange business)].

**"Interest End Date"** means the Interest End Date as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

**"Interest Payment Dates"** means the dates specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

**"Interest Period"** means [the] [each] period from the Interest Commencement Date [(including)][(excluding)] to the first [Scheduled Reference Asset Interest Payment Date] [Interest Calculation Date] [(including)][(excluding)] and from each [Scheduled Reference Asset Interest Payment Date] [Interest Calculation Date] [(including)][(excluding)] to the respective following [Scheduled Reference Asset Interest Payment Date] [Interest Calculation Date] [(including)][(excluding)]. The last Interest Period ends on the Interest End Date [(including)][(excluding)].]

**"Issue Date"** means the date specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

**"Maturity Date"** means the Scheduled Maturity Date, unless a Risk Event occurs, then the Acceleration Redemption Date or the Alternative Acceleration Redemption Date (as the case may be) shall be the Maturity Date.

*[In case of Floating Rate Securities with Maximum Interest Rate the following applies:*

**"Maximum Interest Rate"** means the Maximum Interest Rate as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

*[In case of Floating Rate Securities with Minimum Interest Rate the following applies:*

**"Minimum Interest Rate"** means the Minimum Interest Rate as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

**"Nominal Amount"** means the Nominal Amount per Security as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

**"Premium"** means the Premium as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

*[Insert for Securities with Cash Settlement:*

**"Redemption Amount"** means the Redemption Amount as calculated according to § 3 of the Special Conditions.]

**"Reference Asset"** means the obligation specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

**"Reference Asset Interest Amount"** means an amount equal to the sum of all amounts of interest or other distributions on the Reference Asset that are actually received by a Reference Holder [in the Reference Currency] on a Reference Asset Interest Payment Date or any other date referred to in the Terms and Conditions in respect of the [Aggregate Reference Asset Nominal Amount][Aggregate Leveraged Reference Asset Nominal Amount] during the interest period ending on or immediately preceding the relevant Reference Asset Interest Payment Date net of any duties, withholding taxes, or reasonable fees or commissions.

**"Reference Asset Interest Payment Date"** means the date on which a Reference Holder has actually received the Reference Asset Interest Amount for the period ending on or immediately prior to such Reference Asset Interest Payment Date.]

**"Reference Asset [Interest][Reference] Rate"** means the relevant interest rate and maturity as specified in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).]

**"Reference Asset Redemption Amount"** means the sum of all amounts of payment or repayment of principal that are actually received by a Reference Holder [in the Reference Currency] on the Reference Asset Maturity Date in respect of a Nominal Amount of the Reference Asset equal to the [Aggregate Reference Asset Nominal Amount][Aggregate Leveraged Reference Asset Nominal Amount] net of any duties, including withholding taxes, or reasonable fees or commissions.

**"Reference Asset Maturity Date"** means the date on which a Reference Holder has actually received the Reference Asset Redemption Amount [or [*insert date*] if this is a later date].

**"Reference Currency"** means the currency [in which the Reference Asset is denominated on the Issue Date] as specified in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

**"Reference Entity"** means the Reference Entity as specified in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*) and at any time the then current primary obligor of the Reference Asset (which term includes any successor to the original Reference Entity and each entity which is directly or indirectly guaranteeing the payment or repayment of the Reference Asset as of the Issue Date).

**"Reference Holder"** means a holder of the Reference Asset which is domiciled in [the jurisdiction of the Issuer of the Securities][•].

*[In the case of Floating Rate Securities the following applies:*

**"Reference Rate"** means the Reference Rate as specified in § 2 of the Special Conditions.]

**"Reference Rate Financial Centre"** means the Reference Rate Financial Centre as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

*[In the case of Floating Rate Securities the following applies:*

**"Reference Rate Maturity"** means the Reference Rate Maturity as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

**"Scheduled Maturity Date"** means [the date specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)] [a day no later than the [second][•] Banking Day following the relevant FX Valuation Date where FX Valuation Date refers to the Reference Asset Maturity Date] [the [•] Banking Day following the Scheduled Reference Asset Maturity Date].

[Insert if Scheduled Reference Asset Interest Amount is applicable:]

"**Scheduled Reference Asset Interest Amount**" means [the amount specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*)] [an amount equal to the sum of all amounts of interest or other distributions thereon and that are scheduled to be received by a Reference Holder in the Reference Currency on a Scheduled Reference Asset Interest Payment Date in respect of the Aggregate Reference Asset Nominal Amount during the interest period ending on or immediately preceding the relevant Scheduled Reference Asset Interest Payment Date net of any duties, withholding taxes, or reasonable fees or commissions].]

["**Scheduled Reference Asset Interest Payment Date**" means any date specified as the Scheduled Reference Asset Interest Payment Date in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).]

"**Scheduled Reference Asset Maturity Date**" means the date specified as the Scheduled Reference Asset Maturity Date in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

["**Screen Page**" means the Screen Page and, if applicable, the relevant heading as indicated in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*). If that page is replaced or if the relevant service is no longer available, the Calculation Agent in its reasonable discretion (§ 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.

"**Settlement Date**" means the date as specified in § 5 of the Special Conditions.

"**Specified Currency**" means the currency in which the Securities are denominated on the Issue Date as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

[Insert if Specified Interest Amount is applicable:]

"**Specified Interest Amount**" means the interest amount specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*) in relation to each Interest Payment Date.]

[Insert if Specified Currency is Euro:]

"**TARGET2**" means the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2).]

"**Terms and Conditions**" means the terms and conditions of these Securities as set out in the General Conditions (Part A), the Product and Reference Asset Data (Part B) and the Special Conditions (Part C).

"**Tax**" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of this issuance including stamp, registration, documentation or similar tax.

"**Website for Notices**" means the website for notices as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

"**Website of the Issuer**" means the website of the Issuer as specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).

## § 2

### Interest

[Insert if the Securities are zero coupon Securities:

There will be no periodic payments of interest on the Securities.]

[Insert if the Securities pay interest:

(1) Subject to circumstances set forth in § 2 of Part D-Reference Asset Event Conditions each Security shall bear interest [from the Interest Commencement Date [(including)][(excluding)] to the Interest End Date [(including)][(excluding)] [at the [respective] Interest Rate].]

(2) [Insert if the Securities are fixed rate Securities and the interest payments under the Securities are not pass-through Reference Asset Linked Securities: "Interest Rate" means the [respective] Interest Rate [for the respective Interest Period] as specified in § 1 (Product Data) of Part B (Product and Reference Asset Data).]

[Insert if the Securities are floating rate Securities: "Interest Rate" means the [respective] Reference Rate [for the respective Interest Period] as specified in this § 2 (3) of the Special Conditions[, plus the Premium][, minus the Discount].]

[Maximum Interest Rate: If the Interest Rate determined for [an][the] Interest Period in accordance with the provisions above is higher than the Maximum Interest Rate, then the Interest Rate for that Interest Period is the Maximum Interest Rate.]

[Minimum Interest Rate: If the Interest Rate determined for [an][the] Interest Period in accordance with the provisions above is lower than the Minimum Interest Rate, then the Interest Rate for that Interest Period is the Minimum Interest Rate.]

(3) Reference Rate: "Reference Rate" means the Reference Rate as specified in § 1 (Product Data) of Part B (Product and Reference Asset Data) for deposits in the Specified Currency displayed on the Screen Page at [11:00 a.m.] [insert other time] [insert Reference Rate Financial Centre] time on the relevant Interest Determination Date.

[Insert in case of interest rate interpolation: The Reference Rate for the [first][last] Interest Period, which ends on the [first][last] Interest Payment Date, will be specified by way of linear interpolation of the [insert relevant reference rate] and the [insert relevant reference rate] (each expressed as a per cent rate per annum) as displayed on the Screen Page at [11:00 a.m.] [insert other time] [insert Reference Rate Financial Centre] 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, the Calculation Agent will ask each of four major banks in the [Eurozone interbank market][London interbank market][insert other market] determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) (each a "**Reference Bank**") to quote the rate at which they are offering deposits in the Specified Currency for the corresponding Reference Rate Maturity in a representative amount to leading banks in the [London interbank market][Eurozone interbank market][insert other market] at approximately [11:00 a.m.] [insert other time] [insert Reference Rate Financial Centre] 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 or only one Reference Bank 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 (§ 315 BGB) are offering loans in the Specified Currency for the corresponding Reference Rate in a representative amount to leading European banks at approximately [11:00 a.m.] [insert in case of MosPrime as Reference Rate: 12:30 p.m.] [insert other time] [insert Reference Rate Financial Centre] time at the Reference Rate Financial Centre on that Interest Determination Date.]]

[(2)][(3)] The interest amount (the "**Interest Amount**") per Security shall be equal to the product of

*[Insert in case of pass-through Reference Asset Linked Securities:*

- (i) the [*In case of specified amount applicable: Specified Interest Amount*][*In case of expected amount applicable: Scheduled Reference Asset Interest Amount*][*In case of received amount applicable: Reference Asset Interest Amount*] [in the Specified Currency] [less the Interest Adjustment Amount], each such amount in relation to the [Scheduled Reference Asset Interest Payment Date][Reference Asset Interest Payment Date] and
- (ii) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities]

*[Insert in case of all Securities other than pass-through Reference Asset Linked Securities:*

the Interest Rate, the Nominal Amount and the Day Count Fraction.

"**Day Count Fraction**" for the purpose of calculating the Interest Amount for an Interest Period means:

*[Insert in case of all Securities to which "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000 is applicable:*

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 at 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 day of a month, in which case the month containing this day shall not be 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 to be treated as a month extended to 30 days).]

*[Insert in case of all Securities to which "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006 is applicable:*

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 D1 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 D1 is greater than 29, in which case D2 is equal to 30.]

[Insert in case of all Securities to which "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method) is applicable:

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 Scheduled 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).]

[Insert in case of all Securities to which "30E/360" or "Eurobond Basis" in accordance with ISDA 2006 is applicable:

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 D1 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.]

[Insert in case of all Securities to which "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method) is applicable:

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.]

[Insert in case of all Securities to which "Act/360" is applicable:

the actual number of days in the Interest Period divided by 360.]

[Insert in case of all Securities to which "Act/365" (Fixed) is applicable:

the actual number of days in the Interest Period divided by 365.]

[Insert in case of all Securities to which "Act/Act (ISDA)" is applicable:

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).]]

[(3)][(4)] The Interest Amount shall be [calculated within [●] Banking Days following the relevant [Scheduled Reference Asset Interest Payment Date][Reference Asset Interest Payment Date][FX Valuation Date] (an "**Interest Calculation Date**").]

The [respective] Interest Amount shall be paid pursuant to the provisions set forth in § 5 of these Special Conditions [[●] Banking Days following [the Scheduled Reference Asset Interest Payment Date][the Reference Asset Interest Payment Date][Insert if Reference

*Currency is not equal to the Specified Currency: the FX Valuation Date]* (each an "**Interest Payment Date**") [on the [respective] Interest Payment Date]. [The last Interest Payment Date shall be the [[●] Banking Day following [the Scheduled Reference Asset Maturity Date][the last Reference Asset Interest Payment Date] [Maturity Date].]

*[Insert if "Grace Period" is applicable:*

[(4)][(5)] **Deferral of Interest Payments.** The Issuer may postpone an Interest Payment Date by publishing a notice in accordance with § 6 of the General Conditions, provided that a Settlement Deferral Condition is fulfilled. Such notice shall be published by the Issuer no later than [3][●] calendar days prior to an Interest Payment Date and must contain a description of the relevant Settlement Deferral Condition. Subject to the Acceleration Conditions being fulfilled, the Interest Payment Date shall be the [●] Banking Day following the day on which the Settlement Deferral Condition ceases to be fulfilled. Interest shall not accrue on the deferred Interest Amount during the period from the scheduled Interest Payment Date to the actual Interest Payment Date.

The Security Holder does not have the right to accelerate the Securities pursuant to § 6 of the General Conditions for the reason of such deferral of payment of the Interest Amount.]

*[Insert if the Reference Currency is not equal to the Specified Currency:*

[(5)][(●)] In case any amount required for the determination of the Interest Amount is denominated in a currency other than the Specified Currency then such amount shall be converted by the Calculation Agent at the FX Exchange Rate as per the relevant FX Valuation Date.]

### § 3

#### **Redemption**

*[Insert for Securities with Cash Settlement:*

*[If Specified Redemption Amount is specified:*

- (1) Subject to circumstances set forth in § 2 of Part D-Reference Asset Event Conditions, each Security shall be redeemed on the Settlement Date at an amount per Security equal to the product of
  - (i) the Specified Redemption Amount specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*) in the Specified Currency [less the relevant Redemption Adjustment Amount]; and
  - (ii) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities(the "**Redemption Amount**").]

*[If Scheduled Reference Asset Redemption Amount (scheduled amount) is specified:*

- (1) Subject to circumstances set forth in § 2 of Part D-Reference Asset Event Conditions, each Security shall be redeemed on the Settlement Date at an amount per Security equal to the product of
  - (i) the [Scheduled Reference Asset Redemption Amount specified in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*)] [an amount equal to the sum of all amounts of payment or repayment of principal that are scheduled to be received by a Reference Holder in the Reference Currency on the Scheduled Reference Asset Maturity Date in respect of the Nominal Amount of the Reference Asset equal to the [Aggregate Reference Asset Nominal Amount][Aggregate Leveraged Reference Asset Nominal Amount] net of any duties, including

withholding taxes, or reasonable fees or commissions (the "**Scheduled Reference Asset Redemption Amount**") in the [in the Reference Currency][in the Specified Currency] [less the relevant Redemption Adjustment Amount]; and

- (ii) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities

(the "**Redemption Amount**").]

[If Reference Asset Redemption Amount (amount actually received) is specified:

- (1) Subject to circumstances set forth in § 2 of Part D-Reference Asset Event Conditions, each Security shall be redeemed on the Settlement Date at an amount per Security equal to the product of

- (i) the Reference Asset Redemption Amount in the Reference Currency [less the relevant Redemption Adjustment Amount]; and
- (ii) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities

(the "**Redemption Amount**").]

- (2) The Redemption Amount shall be payable on the Settlement Date to the Clearing System for credit to the accounts of the relevant depository banks of the Security Holders pursuant to the provisions set forth in § 5 of these Special Conditions.
- (3) Following payment of the Redemption Amount to the Security Holder, all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no further payment obligations.]

[Insert if "Grace Period" is applicable:

- (4) **Deferral of the Redemption Amount.** The Issuer may postpone the Settlement Date by publishing a notice in accordance with § 6 of the General Conditions, provided that a Settlement Deferral Condition is fulfilled. Such notice shall be published by the Issuer no later than [3][●] calendar days prior to the Settlement Date and must contain a description of the relevant Settlement Deferral Condition. Subject to the Acceleration Conditions being fulfilled, the Settlement Date shall be the [●] Banking Day following the day on which the Settlement Deferral Condition cease to be fulfilled. Interest shall not accrue on the Redemption Amount during the period from the scheduled Settlement Date to the actual Settlement Date.

The Security Holder does not have the right to accelerate the Securities pursuant to § 6 of the General Conditions for the reason of such deferral of payment of the Redemption Amount.]

[Insert if the Reference Currency is not equal to the Specified Currency:

- [(4)][(5)]In case any amount required for the determination of the redemption amount received is denominated in a currency other than the Specified Currency then such amount shall be converted by the Calculation Agent at the FX Exchange Rate as per the relevant FX Valuation Date.]

[Insert for Securities with Physical Settlement:

- (1) Subject to circumstances set forth in § 2 of Part D-Reference Asset Event Conditions, each Security shall be redeemed on the Settlement Date by delivery of a relevant portion of the Reference Asset equal to an amount of the product of

- (i) the Aggregate Reference Asset Nominal Amount [less the relevant Redemption Adjustment Amount][;] [and]
  - (ii) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities
- (the "**Redemption Delivery Amount**").]
- (2) The Delivery of the Redemption Delivery Amount is subject to provisions set forth in § 5 of the Special Conditions.
  - (3) Upon submission of an Account Notice by the Security Holders to the Principal Paying Agent no later than the [third][●] Banking Day prior to the Scheduled Maturity Date, the Issuer shall Deliver the Redemption Delivery Amount and pay the cash amount equal to the value of the non-deliverable fractions of the Reference Asset or any Asset Package (if applicable) [*Insert if Reference Currency is not equal to Specified Currency:*, converted from the Reference Currency into the Specified Currency at the FX Exchange Rate] (the "**Supplemental Cash Amount**") as per the [second][●] Banking Day prior to the Settlement Date if the calculation of the Redemption Delivery Amount or the Acceleration Delivery Amount leads to a non-deliverable fraction of the Reference Asset (where relevant) to the account(s) specified in such Account Notice on the Settlement Date.
  - (4) Following delivery of the Redemption Delivery Amount and payment of the Supplemental Cash Amount (where relevant) to the Security Holder, all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no further payment or Delivery obligations.]

### § 3

#### Payments, Deliveries

- (1) The Issuer undertakes to perform the following on the [fifth][●] Banking Day following the [Maturity Date][Scheduled Reference Asset Maturity Date][,][and][or] [●] ([each] such date being the "**Settlement Date**"):
  - [(a) to pay the Redemption Amount; and]
  - [(a) to deliver the Redemption Delivery Amount; and]
  - (b) to pay the Acceleration Redemption Amount; and
  - (c) to deliver the Acceleration Delivery Amount.

The amounts mentioned in this paragraph (1) and all further amounts payable under these Terms and Conditions shall be rounded [*Insert if the Specified Currency is Euro:* up or down to the nearest 0.01 Euro, with 0.005 Euro being rounded [upwards][always downwards]] [*Insert if the Specified Currency is not Euro:* up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded [upwards][always downwards]] [*Insert other rounding provision*]. [The conversion of the amounts payable in [Euro][●] is effected [●].] [At least [EUR][●] [0.001][●] per Nominal Amount will be paid.]
- (2) If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then [*Insert if Following Business Day Convention is applicable:* the Security Holders shall not be entitled to payment until the next following Banking Day.] [*Insert if Modified Following Business Day Convention is applicable:* the Security Holders shall not be entitled to payment until the next following Banking Day unless it would thereby fall into the next calendar month in which event the payment shall be made on the immediately preceding Banking Day.]

*[if the payment of the Interest Amount is adjusted, insert:*

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are adjusted accordingly.]

*[if the payment of the Interest Amount is unadjusted, insert:*

If the due date for a payment, if applicable, is moved forward or postponed, such Payment Date and the respective Interest Amount are not adjusted. The Security Holders are not entitled to further interest or other payments in respect of such delay.]

- (3) All payments shall be made to the Principal Paying Agent. 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.
- (4) All costs, incl. possible custody fees, exchange turnover taxes, stamp taxes, transaction fees, other taxes incurred as a result of the [*Insert where Cash Settlement is specified as applicable: payment of the Redemption Amount, Acceleration Redemption Amount or Delivery of the Acceleration Delivery Amount (as the case may be)*] [*Insert where Physical Settlement is specified as applicable: Delivery of the Redemption Delivery Amount, the Acceleration Delivery Amount or Asset Package or payment of the Supplemental Cash Amount or the Acceleration Redemption Amount (as the case may be)*] shall be borne by the respective Security Holder.
- (5) 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<sup>5</sup>][●]. Such accrual of interest starts on the due date of that payment ([including][excluding]) and ends at the end of the day preceding the effective date of payment ([including][excluding]).]
- [(6) Payments of interest on the Securities represented by a Temporary Global Security shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1) by the relevant participants to the Clearing System.]

*[Insert for Securities with Physical Settlement:*

- [(6)[7]) Subject to the provisions of these Terms and Conditions, the Redemption Delivery Amount shall be delivered at the Security Holder's own risk. If the due date of any delivery or payment is not a Banking Day, such Delivery or payment shall be made on the next following Banking Day. Such delay will not constitute any entitlement to interest or other payments. The Issuer shall not be obliged to forward to the Security Holders any notifications or documents of [the relevant Reference Entity of the Reference Asset][●] that were provided to the Issuer prior to such delivery of a Reference Asset, even if such notifications or other documents refer to events that occurred after Delivery of such Reference Asset. The Issuer shall not be obliged to exercise any voting rights under the Reference Asset or to act in the interests of the Security Holders in respect of any voting to the extent the Issuer holds the Reference Asset.]]

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<sup>5</sup> The default rate of interest pursuant to §§ 288 para 1, 247 para 1 of the German Civil Code (BGB) is four percentage points (if no consumer is involved) or eight percentage points (if at least one consumer is involved) above the basic rate of interest published by the German Central Bank (Deutsche Bundesbank) from time to time.

## SECTION 2 – REFERENCE ASSET EVENT CONDITIONS

(the "Reference Asset Event Conditions")

### § 1

#### Definitions

"**Acceleration Condition**" means the publication of a Risk Event Notice by the Issuer to the Security Holders that is effective during the Risk Event Notice Period.

"**Acceleration Redemption Amount**" means the acceleration redemption amount as specified in § 4 [(1)][(4)] of the Special Conditions.

"**Acceleration Redemption Date**" means the date specified in the Risk Event Notice which is not later than [30][●] Banking Days following the date of the fulfilment of the Acceleration Condition.

[Insert where Cash Settlement is specified as applicable:]

"**Account Notice**" means a written and irrevocable notice required following a Redemption Failure Notice pursuant to § 4 where each Security Holder:

- (i) identifies himself to the Issuer in accordance with the instructions of the Issuer or the Principal Paying Agent;
- (ii) provides the Issuer with evidence and confirmations, as requested by the Issuer or the Principal Paying Agent, demonstrating the Security Holder's entitlement to the relevant Securities (after which the sale of such Securities by such Security Holder shall be prohibited); and
- (iii) provides the Issuer with
  - (a) details of any account capable of taking payment or Delivery of  
[(A)] the Acceleration Delivery Amount and any Supplemental Cash Amount (if and as required) [or]

[Insert if Reference Currency is not equal to the Specified Currency:]

- (B) the Acceleration Redemption Amount in the Reference Currency] and
- (b) all other consents and authorizations requested by the Issuer to facilitate the payment or Delivery of  
[(A)] the Acceleration Delivery Amount and any Supplemental Cash Amount (if and as required) [or]

[Insert if Reference Currency is not equal to the Specified Currency:]

- (B) the Acceleration Redemption Amount in the Reference Currency.]

[Insert where Physical Settlement is specified as applicable:]

"**Account Notice**" means a written and irrevocable notice where each Security Holder:

- (i) identifies himself to the Issuer in accordance with the instructions of the Issuer or the Principal Paying Agent;
- (ii) provides the Issuer with evidence and confirmations, as requested by the Issuer or the Principal Paying Agent, demonstrating the Security Holder's entitlement to the relevant Securities (after which the sale of such Securities by such Security Holder shall be prohibited); and
- (iii) provides the Issuer with

- (a) details of any account capable of taking payment or Delivery of
  - (A) Redemption Delivery Amount,
  - (B) the Acceleration Delivery Amount and any Supplemental Cash Amount (if and as required) or
  - (C) the Acceleration Redemption Amount (as required) and
- (b) all other consents and authorizations requested by the Issuer to facilitate the payment or Delivery of
  - (A) Redemption Delivery Amount,
  - (B) the Acceleration Delivery Amount and any Supplemental Cash Amount (if and as required) or
- (C) the Acceleration Redemption Amount (as required).]

*[Insert for Securities with Interest Adjustment Amount(s) and/or a Redemption Adjustment Amount:*

"**Adjustment Amount Value**" means the amount determined by the Calculation Agent on any day at any time during the term of the Securities equal to the net present value of [all Interest Adjustment Amount(s)] [and] [the Redemption Adjustment Amount] for the period from and including such determination day to the Scheduled Maturity Date based on prevailing swap rates as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) without double counting for any [Scheduled Cashflow Value] [or] *[Insert for Securities with a built-in cross currency swap and where Reference Currency is equal to Specified Currency: Hedge Unwind Costs]**[Insert in case of Securities with FX spot rate conversions: Related Costs]* [expressed [in the Specified Currency] using the FX Exchange Rate at the applicable time as adjusted to account for any transactions related to the conversion of cashflows [from the Reference Currency into the Specified Currency] (in connection with the issuance of the Securities)]. For the purposes of determining the net present value above, the Adjustment Amount Value [in the Reference Currency] shall be discounted as if it was due on the relevant *[Insert if Interest Adjustment Amount(s) is applicable: Scheduled Reference Asset Interest Payment Date]* [or] *[Insert if Redemption Adjustment Amount is applicable: Scheduled Reference Asset Maturity Date]* [as applicable]].]

*[Insert if Leverage Factor is applicable:*

"**Aggregate Leveraged Reference Asset Nominal Amount**" means the Aggregate Reference Asset Nominal Amount multiplied by the Leverage Factor.]

*[Insert if Risk Event "Unscheduled Redemption" or Credit Events "Restructuring" or "Governmental Intervention" is applicable:*

"**Assets**" means cash, securities, rights and/or other assets (whether tangible or otherwise) (in each case, whether of the relevant Reference Entity or of a third party) that a Reference Holder received, retained or becomes entitled to receive.]

*[Insert if Risk Event "Unscheduled Redemption" or Credit Events "Restructuring" or "Governmental Intervention" is applicable:*

"**Asset Package**" means any Assets (which may include the Reference Asset) that a Reference Holder received, retained or becomes entitled to receive.]

"**Auction**" means the following procedure:

- [(1)] At a Banking Day selected by the Calculation Agent using reasonable discretion falling no later than ten (10) Banking Days following the day on which the Acceleration Condition has been fulfilled (the "**Valuation Date**"), the Calculation Agent shall attempt to obtain firm bid quotations from at least three Dealers in

accordance with prevailing market practice at the applicable time for the Reference Asset or the Asset Package as the case may be (the "**Valuation Asset**") in an amount equal to the [Outstanding Aggregate Reference Asset Nominal Amount][Aggregate Reference Asset Nominal Amount] [Aggregate Leveraged Reference Asset Nominal Amount] (the "**Valuation Nominal Amount**"); provided that if the Calculation Agent has obtained at least two bid quotations, the Calculation Agent shall select the Dealer who has submitted the highest firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount, provided that if two or more Dealers have submitted an identical firm bid quotation, the Calculation Agent shall select one of those Dealers using reasonable discretion. If only one firm bid quotation is obtained, the Calculation Agent shall select the Dealer who has submitted such firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount.

- [(2) If no quotation has been submitted for the Valuation Nominal Amount, the Calculation Agent shall attempt to obtain partial bid quotations in accordance to paragraph (1) above for quotation amounts less than the Valuation Nominal Amount ("**Partial Quotation Amounts**"). If different bid quotations have been submitted for Partial Quotation Amounts, the Calculation Agent shall calculate the average value of such quotations. As for Partial Quotation Amounts for which no quote has been submitted during the Auction Period, the quotation shall be calculated as equal to zero.]

"**Auction Failure**" means that either no quotation bid has been obtained or that the Reference Asset Auction Proceeds are equal to zero. The occurrence of an Auction Failure shall be notified to the Security Holders pursuant to § 6 of the General Conditions (such notice being a "**Redemption Failure Notice**").

[Insert if Credit Event "Bankruptcy" or Custody Event is applicable:

"**Bankruptcy**" means in relation to the [Insert if Credit Event "Bankruptcy" is applicable: Reference Entity] [or] [Insert if Custody Event is applicable: the Custodian [(as the case may be)]] that such entity (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective; (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession,

or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.]

[Insert if Risk Event "Cashflow Discrepancy" and "Grace Period" is applicable:]

"**Cashflow Discrepancy**" means a discrepancy as determined by the Calculation Agent at any time during the term of the Securities caused by the fact that the Reference Asset fails for any reason to pay cashflows at an amount [exactly corresponding] *[Insert if Material Amount is specified as applicable: not less than the Material Amount in relation]* to the Scheduled Reference Asset Interest Amounts or the Scheduled Reference Asset Redemption Amount [(each as specified in § 1 (*Product Data*) of Part B (*Product and Reference Data*))] scheduled to be paid to a Reference Holder [in the Reference Currency], on any Scheduled Reference Asset Interest Payment Date or the Scheduled Reference Asset Maturity Date, provided that the determination of the occurrence of such Cashflow Discrepancy shall be made [after the expiration of the Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period)][without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Asset].]

[Insert if Risk Event "Custody Event" is applicable:]

"**Custodian**" means a custodian of a Reference Asset.

"**Custody Event**" means the occurrence of

- (i) Bankruptcy with respect to the Custodian or
- (ii) one or more of the following acts with respect to the Custodian:
  - (a) a failure to establish or to dissolve an account for the Specified Currency or the Reference Currency or the Reference Asset;
  - (b) it disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, an obligation to hold, acquire, transfer or otherwise care for the Reference Asset or any amount received under the Reference Asset ("**Reference Asset Amounts**") under any custody or similar arrangements entered into by the Reference Holder and any custodian;
  - (c) a failure to deliver or credit the Reference Asset Amount to the account or failure to deliver Reference Asset Amounts or the Reference Asset to a third party when instructed by the Reference Holder to do so, including but not limited to, failure to transfer beneficial ownership with respect to the Reference Asset Amount or the Reference Asset; and
  - (d) a breach of obligations or a failure to perform all or part of its obligations to the Reference Holder under any custodian or similar arrangements entered into by the Reference Holder in the manner customary, including but not limited to perform in a full and timely manner.]

"**Dealers**" means each dealer (which may include [any Security Holder [or its Affiliates]] [or] [Affiliates of the Issuer]) in obligations of the type similar to those of the Reference Asset (including any Asset Package (if applicable)) as of the Valuation Date as selected by the Calculation Agent in good faith and in a commercially reasonable manner.

[Insert if any Credit Event other than "Bankruptcy" or "Failure to Pay" and "Default Requirement" is specified as applicable:]

"**Default Requirement**" means [the amount specified as such in § 2 (*Product Data*) of Part B (*Product and Reference Asset Data*)]*[Insert Reference Currency or Specified Currency]* [10.000.000] [or its equivalent in the [*Specified Currency*][*Reference Currency*].]

"**Delivery**" means to deliver, novate, transfer, assign or sell, as appropriate in accordance with its terms, applicable law and the relevant clearing system (if applicable) the applicable Asset Package (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to the Asset Package where only equitable title is customarily conveyed, all equitable title) and interest in the Asset Package to the Security Holders.

[Insert if Credit Event "Failure to Pay" is applicable:]

"**Failure to Pay**" means [without regard to any grace period or any conditions precedent to the commencement of any grace period][after the expiration of the Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period)] applicable to the Reference Asset, [Insert if Credit Events apply to Obligations: and/or any Obligation,] the failure by the Reference Entity to make, when and where due, any payments under the Reference Asset [Insert if Credit Events apply to Obligations: or under one or more of its Obligations] [Insert if "Payment Requirement" is specified as applicable: in an aggregate amount not less than the Payment Requirement (individually or collectively)] in accordance with the terms of such Reference Asset [Insert if Credit Events apply to Obligations: or such Obligation] at the time of such failure.]

[Insert if Credit Event "Restructuring", "Governmental Intervention" or "Repudiation/Moratorium" is applicable:]

"**Governmental Authority**" means:

- (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof);
- (ii) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (iii) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or of all of its obligations; or
- (iv) any other authority which is analogous to any of the entities specified in sections (i) to (iii).]

[Insert if Credit Event "Governmental Intervention" is applicable:]

"**Governmental Intervention**" means that, with respect to the Reference Asset [Insert where Credit Events apply to Obligations: and/or any Obligation] [Insert if "Default Requirement" is specified as applicable: in relation to an aggregate amount of not less than the Default Requirement], any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Reference Asset:

- (i) any event which would affect creditors' rights so as to cause:
  - (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (c) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium; or

- (d) a change in the ranking in priority of payment of the Reference Asset [*Insert where Credit Events apply to Obligations: and/or any Obligation*], causing the subordination of such Reference Asset [*Insert where Credit Events apply to Obligations: and/or any Obligation*] to any other Reference Asset [*Insert where Credit Events apply to Obligations: and/or any Obligation*];
- (ii) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Asset [*Insert where Credit Events apply to Obligations: or Obligation*];
- (iii) a mandatory cancellation, conversion or exchange; or
- (iv) any event which has an analogous effect to any of the events specified in (i) to (iii).]

[Insert if "Grace Period" in respect of "Cash Flow Discrepancy" or "Failure to Pay" is specified as applicable:

"**Grace Period**" means [the lesser of (i)] [the period specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)] [and (ii)] [any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Asset [*Insert if Credit Events apply to Obligations: or the relevant Obligation,*] in its terms and conditions as in effect on the Issue Date in respect of any payments on the Reference Asset [*Insert if Credit Events apply to Obligations: or such Obligation.*]

[Insert for Securities with a built-in cross currency swap or if Reference Currency is equal to Specified Currency:

"**Hedge Unwind Costs**" means an amount equal to [(i) any costs including the transaction costs and any prepayment indemnity incurred by unwinding any swaps and hedging transactions (including but not limited to [the Scheduled Cashflow Value] [and] [*Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable: the Adjustment Amount Value*]) entered into in connection with the Securities, including (but not limited to) any currency hedging transactions interest rate swaps, or asset swap transactions and (ii) all Related Costs (without duplication of amounts calculated in (i))[•]. This amount will be determined by the Calculation Agent in its reasonable discretion (§317 BGB), and as the case may be converted into the Specified Currency at the FX Exchange Rate on the relevant day and notified pursuant to § 6 of the General Conditions.]

[Insert if Risk Event "Hedging Disruption" is applicable:

"**Hedging Disruption**" means that the Issuer determines in its reasonable discretion (§ 315 BGB), that:

- (i) it is unable to enter into, continue or settle transactions or acquire, exchange, hold or sell assets (including, but not limited to the Reference Asset) in order to hedge price risks or other risks with regard to obligations under the Securities under financial conditions equivalent to those applying on the Issue Date; or
- (ii) it has received payments from transactions or assets that it enters into or holds in order to hedge price risks or other risks with regard to obligations under the Securities from which an amount is required to be deducted or withheld for or on account of a Tax; or
- (iii) to realise, reclaim or pass on proceeds from such transactions or assets.]

[Insert if Leverage Factor is applicable:

"**Leverage Loss Adjustment Amount**" means an amount determined as the product of:

- (i) (a) the Aggregate Leveraged Reference Asset Nominal Amount less (b) the Aggregate Reference Asset Nominal Amount; and

(ii) 100% less the Reference Asset Auction Value.

**"Leverage Factor"** means the factor specified in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*).]

[Insert if Risk Event "Cashflow Discrepancy" and "Material Amount" is applicable:

**"Material Amount"** means [the amount specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)][Insert Reference Currency or Specified Currency] [1,000,000] [or its equivalent in the [Specified Currency]][Reference Currency], as of the occurrence of the relevant Credit Event.]]

[Insert if Credit Events also apply to Obligations:

**"Obligation"** means with respect to the Reference Entity any obligation, either directly or as provider of a guarantee (which term shall include, but is not limited to any arrangement structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement), for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit), provided that the Reference Asset will always be an Obligation.]

[Insert if Credit Event "Obligation Acceleration" is applicable:

**"Obligation Acceleration"** means the Reference Asset [Insert if Credit Events apply to Obligations: and/or any Obligation] [Insert if "Default Requirement" for Obligation Acceleration is specified as applicable: in an aggregate amount not less than the Default Requirement] has become due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of default, event of default or another similar condition or event (however described) [Insert if Credit Event "Failure to Pay" is applicable: , other than a failure to make any required payment, in respect of the Reference Asset [Insert if Credit Events apply to Obligations: or the Obligation]].]

[Insert if Credit Event "Obligation Default" is applicable:

**"Obligation Default"** means that the Reference Asset [Insert if Credit Events apply to Obligations: and/or any Obligation] [Insert if "Default Requirement" is specified as applicable: in an aggregate amount not less than the Default Requirement] has become capable of being declared due and payable before it would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described) [Insert if Credit Event "Failure to Pay" is applicable: , other than a failure to make any required payment, in respect of the Reference Asset [Insert if Credit Events apply to Obligations: or the Obligation], provided that the determination of the occurrence of an Obligation Default shall be made without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Asset [Insert if Credit Events apply to Obligations: or the Obligation] [any event or circumstance which may with giving notice by the holders of the Reference Asset [Insert where Credit Events apply to Obligations: or the Obligation] (or the relevant quorum of holders of the Reference Asset [Insert if Credit Events apply to Obligations: or the Obligation]) or the lapse of time or both, result in the Reference Asset [Insert where Credit Events apply to Obligations: or the Obligation] becoming due and payable before it would have been due and payable, as the case may be, and as a result of, or on the basis of, the occurrence of a default, event of default or similar condition or event (howsoever described) in accordance with the terms of the Reference Asset [Insert if Credit Events apply to Obligations: or the Obligation] or otherwise.]

**"Outstanding Aggregate Reference Asset Nominal Amount"** means an amount corresponding to the issued volume of the Securities outstanding on the occurrence of a Risk Event and fulfilment of the Acceleration Condition.]

[Insert if Credit Event "Failure to Pay" and "Payment Requirement" is applicable:

**"Payment Requirement"** means [the amount specified as such in § 1 (*Product Data*) of Part B (*Product and Reference Asset Data*)] [Insert Reference Currency] [Insert Reference Currency or Specified Currency] [1,000,000] [or its equivalent in the [Specified Currency]][Reference Currency], as of the occurrence of the relevant Credit Event.]]

[Insert for Securities with Physical Settlement and if built-in cross currency swap is applicable:

**"Physical Settlement Adjustment Amount"** means an amount determined as (i) the Hedge Unwind Costs [Insert if Leverage Factor is specified as applicable: plus the Leverage Loss Adjustment Amount] [Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable: plus the Adjustment Amount Value] (ii) divided by the Reference Asset Auction Value.]

[Insert for Securities with Physical Settlement and if Specified Currency is not equal to Reference Currency:

**"Physical Settlement Adjustment Amount"** means an amount determined as (i) the Related Costs [Insert if Leverage Factor is specified as applicable : plus the Leverage Loss Adjustment Amount] [Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable: plus the Adjustment Amount Value] (ii) divided by the Reference Asset Auction Value.]

[Insert if "Grace Period" in respect of "Cash Flow Discrepancy" is specified as applicable:

**"Potential Cash Flow Discrepancy"** means a discrepancy as determined by the Calculation Agent at any time during the term of the Securities caused by the fact that the Reference Asset fails for any reason to pay cashflows at an amount [exactly corresponding] [Insert if Material Amount is specified as applicable: not less than the Material Amount in relation] to the Scheduled Reference Asset Interest Amounts or the Scheduled Reference Asset Redemption Amount [(each as specified in § 1 (*Product Data*) of Part B (*Product and Reference Data*))] scheduled to be paid to a Reference Holder [in the Reference Currency], on any Scheduled Reference Asset Interest Payment Date or the Scheduled Reference Asset Maturity Date, provided that the determination of the occurrence of such Cashflow Discrepancy shall be made without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to the Reference Asset.]

[Insert if "Grace Period" in respect of "Failure to Pay" is specified as applicable:

**"Potential Failure to Pay"** means the failure by the Reference Entity to make, when and where due, any payments [Insert if "Payment Requirement" is specified as applicable: in an aggregate amount of not less than the Payment Requirement] under the Reference Asset [Insert where Credit Events apply to Obligations: or one or more Obligations], in accordance with the terms of such Reference Asset [Insert if Credit Events apply to Obligations: or such Obligation] at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Reference Asset [Insert if Credit Events apply to Obligations: or such Obligation].]

**"Potential Risk Event"** means [any event [, determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) and], which with the giving of notice or the lapse of time or both, would constitute a Risk Event] [that [Insert where Cash Flow Discrepancy is specified applicable: a Potential Cash Flow Discrepancy][or][Insert where Failure to Pay is specified applicable: a Potential Failure to Pay] has occurred on or prior to an Interest Payment Date or the Maturity Date and the applicable Grace Period has not expired].]

*[Insert if Redemption Adjustment Amount is applicable:]*

"**Redemption Adjustment Amount**" means the amount in respect of all Securities in the [Specified Currency][Reference Currency] specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).]

*[Insert for Securities with Physical Settlement:]*

"**Redemption Delivery Amount**" means the Redemption Delivery Amount as calculated according to § 3 of the Special Conditions.]

["**Reference Asset Auction Proceeds**" means the amount in the Reference Currency determined through the procedure of an Auction for the Reference Asset or, as the case may be, the Asset Package, such amount determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) in accordance with prevailing market practice [during the Auction Period]\_, divided by the Leverage Factor]. The Reference Asset Auction Proceeds may be equal to zero.

[The Reference Asset Auction Proceeds shall be converted by the Calculation Agent into the Specified Currency using the FX Exchange Rate as per the FX Valuation Date and][The amount so determined] shall be rounded [*If amount is denominated in Euro, the following applies: up or down to the nearest 0.01 Euro, with 0.005 Euro being rounded [upwards][always downwards]*] [*If the Specified Currency is not Euro, the following applies: up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded [upwards][always downwards]*] [*Insert other rounding provision.*].]

["**Reference Asset Auction Value**" means the highest firm bid (the "**Highest Quotation**") for

- (a) the Reference Asset (including accrued but unpaid interest) in an amount equal to the Aggregate [*insert where Leverage Factor is specified applicable: Leveraged*] Reference Asset Nominal Amount (the "**Valuation Nominal Amount**"); or
- (b) the Asset Package that a Relevant Holder would have received for the Reference Asset (including accrued but unpaid interest) with a Pre-Restructuring Nominal Amount equivalent to the Valuation Nominal Amount (such Asset Package, being together with the Reference Asset the "**Valuation Assets**") and obtained through the procedure set out in § 4 of the Special Conditions.]

*[Insert if Risk Event "Reference Asset Value Event" is applicable:]*

"**Reference Asset Value**" means the value expressed as a percentage equal to the bidside market value of the Reference Asset (including accrued but unpaid interest). For the purpose of determining the bidside market value of the Reference Asset, the Calculation Agent shall attempt to obtain firm bid quotations from at least [3][●] Dealers in accordance with prevailing market practice at the applicable time for a Nominal Amount equal to the Aggregate [*Insert if Leverage Factor is applicable: Leveraged*] Reference Asset Nominal Amount. The Reference Asset Value shall be equivalent to

- (i) if more than three firm bid quotations are obtained, the arithmetic mean of such firm bid quotations, disregarding the firm bid quotations having the highest and lowest values (and, if two or more of such firm bid quotations have the same highest value or lowest value, then one of such highest or lowest firm bid quotations shall be disregarded);
- (ii) if exactly three firm bid quotations are obtained, the firm bid quotation remaining after disregarding the highest and lowest firm bid quotations (and, if any of such firm bid quotations have the same highest value or lowest value, then one of such highest or lowest firm bid quotations shall be disregarded);
- (iii) if exactly two firm bid quotations are obtained, the arithmetic mean of such firm bid quotations;

(iv) if only one firm bid quotation is obtained, such firm bid quotation.

If it is impossible for the Calculation Agent to obtain at least one firm bid for [5][●] subsequent days, then the Reference Asset Value shall be zero.

**"Reference Asset Value Event"** means an event that occurs when the Calculation Agent at any time during the term of the Securities calculates that the result of

- (i) the Reference Asset Value multiplied by the Aggregate [*Insert if Leverage Factor is applicable: Leveraged*] Reference Asset Nominal Amount, minus
- (ii) the Scheduled Cashflow Value [*Insert if Reference Asset Value Threshold is specified in the Reference Currency: each amount converted into the Specified Currency*] is a number equal or lower to the Reference Asset Value Threshold.

**"Reference Asset Value Threshold"** means the amount specified [in the Reference Currency][in the Specified Currency] as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).]

**"Related Costs"** means all costs or expenses incurred (including, but without limitation to, any loss suffered, or costs or expenses arising out of the imposition of any tax or stamp duty to the Issuer, which will or actually does affect the economic value of the Securities) by the Issuer and its Affiliates in connection with this issuance and the early redemption of the Securities [*Insert for Securities with a built-in cross currency swap: (other than costs included in limb of Hedge Unwind Costs)*]. [This amount will be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) [*Insert if the Reference Currency is not equal to the Specified Currency: , converted into the Specified Currency at the FX Exchange Rate as of the relevant day and notified pursuant to § 6 of the General Conditions*].]

[Insert if Reference Entity is a sovereign:

**"Repudiation/Moratorium"** means that an authorized officer of the Reference Entity or a Governmental Authority

- (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, the Reference Asset [*Insert if Credit Events apply to Obligations: and/or any Obligation*] [*Insert if "Default Requirement" is applicable: with an aggregate amount not less than the Default Requirement*] or
- (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*].]

[Insert if Credit Event "Restructuring" is applicable:

**"Restructuring"** means that, with respect to the Reference Asset [*Insert if Credit Events apply to Obligations: and/or any Obligation*] [*Insert if "Default Requirement" is applicable: with an aggregate amount not less than the Default Requirement.*] any one or more of the following events occurs in a form that binds all holders of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*], is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] to bind all holders of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] (including, in each case, in respect of bonds only, by way of an exchange), [and such event is not expressly provided for under the terms of the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] in effect as of the later of the Issue Date and the date as of which the Reference Asset [*Insert if Credit Events apply to Obligations: or the Obligation*] is issued or incurred]:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (ii) a reduction in the amount of principal or premium payable at maturity (including by way of redenomination);
- (iii) a postponement or other deferral of a date or dates for either (a) the payment or accrual of interest or (b) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of the Reference Asset [*Insert if Credit Events apply to Obligations:* or the Obligation], causing a subordination of such Reference Asset [*Insert if Credit Events apply to Obligations:* and/or any Obligation] to any other obligation of the Reference Entity]; or
- (v) any change in the currency of any payment of interest, principal or premium to any currency.]

"**Risk Event**" means any of the events specified as such in § 2 (*Reference Asset Data*) of Part B (*Product and Reference Asset Data*).

*[Insert for Securities with Cash Settlement:*

"**Risk Event Calculation Date**" means the date on which the Calculation Agent calculates the Acceleration Redemption Amount or the Acceleration Delivery Amount. The calculation has to be done as soon as reasonably practicable after the later of

- (i) the Reference Holder having received the proceeds of the sale of the Reference Asset or any Asset Package and
- (ii) [●] Banking Days following the publication of a Redemption Failure Notice.]

*[Insert for Securities with Physical Settlement:*

"**Risk Event Calculation Date**" means the date on which the Calculation Agent calculates the Acceleration Delivery Amount or the Acceleration Redemption Amount. The calculation has to be done as soon as reasonably practicable after the later of

- (i) the Acceleration Condition is met and
- (ii) the Reference Holder having received the proceeds of the sale of the Reference Asset or any Asset Package following a Redemption Failure Notice (if applicable).]

"**Risk Event Notice**" means an irrevocable notice by the Issuer pursuant to § 6 of the General Conditions that describes a Risk Event which has occurred during the [Risk Event Notice Period][period from and including 12:01 a.m., London time, on the Issue Date to 11:59 p.m., London time, on the Maturity Date] and specifies the Acceleration Redemption Date. A Risk Event Notice shall contain a description in reasonable detail of the facts relevant to the determination that a Risk Event has occurred. The Risk Event that is the subject of the Risk Event Notice needs not to be continuing on the date the Risk Event Notice becomes effective.

"**Risk Event Notice Period**" means the period from and including 12:01 a.m., London time, on the Issue Date to 11:59 p.m., London time, on the Maturity Date.

"**Scheduled Cashflows**" means in respect of a Reference Asset on any day and at any time during the term of the Securities all Scheduled Reference Asset Interest Amounts and the Scheduled Reference Asset Redemption Amount falling due on or after such day.

"**Scheduled Cashflow Value**" means a value calculated by the Calculation Agent on any day at any time during the term of the Securities equal to the result of

- (i) the net present value of the Scheduled Cashflows in the Reference Currency minus
- (ii) the net present value of the Scheduled Cashflows in the Specified Currency in each case for the period from and including such day to the Scheduled Maturity Date based

on prevailing swap rates as determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) without double counting for any *[Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable: Adjustment Amount Value]* [or] *[Hedge Unwind Costs]* and expressed in the Reference Currency using the FX Exchange Rate at the applicable time as adjusted to account for any cross-currency basis swap charges from the Reference Currency into the Specified Currency]

*[Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable:*

[(iii) minus the Adjustment Amount Value].

For the purposes of determining the net present values above, each Scheduled Cashflow in the Reference Currency and Scheduled Cashflow in the Specified Currency shall be discounted as if it was due on the relevant Scheduled Reference Asset Interest Payment Date or Scheduled Reference Asset Maturity Date (as applicable).]

["**Settlement Deferral Condition**" means in respect of the deferral of an Interest Payment Date or Maturity Date that a Potential Risk Event occurred.]

*[Insert in case Unscheduled Redemption is specified as applicable:*

"**Unscheduled Redemption**" means the occurrence of any of the following events at any time during the term of the Securities:

- (i) the Reference Asset is redeemed, retired, cancelled (in whole or in part) whether in accordance with the terms of the Reference Asset or not or
- (ii) the Reference Asset is exchanged to one or more Asset Package in whole or in part on or prior to the Scheduled Reference Asset Maturity Date, or
- (iii) any other event which has substantially the same effects as any of the foregoing events (or any combination thereof), other than a redemption in full of the Reference Asset on the Scheduled Reference Asset Maturity Date.]

## § 2

### Early Redemption

*[Insert for Securities with Cash Settlement:*

- (1) Upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition

*[Insert if the Securities pay interest:*

- (i) Interest Amounts shall cease to accrue and shall not be payable in respect of the Securities from and including the Interest Payment Date immediately preceding the day on which a Risk Event has occurred; and
- (ii) the Issuer shall redeem the Securities on the Acceleration Redemption Date by payment of an amount, subject to a minimum of zero, for each Security (the "**Acceleration Redemption Amount**") to the Clearing System for credit to the accounts of the relevant depository banks of the Security Holders equal to the sum of
  - (i) the Reference Asset Redemption Amount, if any, and (ii) the product of
    - (a) the Reference Asset Auction Proceeds minus *[Insert if Leverage Factor is applicable: the Leverage Loss Adjustment Amount minus]* *[Insert for Securities with a built-in cross currency swap and if the Reference Currency is equal to the Specified Currency: the Hedge Unwind Costs]**[Insert if the Reference Currency is not equal to the Specified Currency: [the Hedge Unwind Costs][the Related Costs]]* *[Insert if Interest Adjustment Amount and/or Redemption Adjustment Amount is applicable: less the Adjustment Amount Value]*; and

- (b) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities.

*[Insert if the Reference Currency is not equal to the Specified Currency:]*

- (2) In case such Acceleration Redemption Amount or any other amount used for its calculation is denominated in a currency other than the Specified Currency then such amount shall be converted by the Calculation Agent at the FX Exchange Rate as per the Risk Event Calculation Date.]

[(2)[3]) Following payment of the Acceleration Redemption Amount to the Security Holder, all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no further payment or Delivery obligations.

[(3)[4]) If an Auction Failure has occurred, upon submission of an Account Notice by the Security Holders to the Principal Paying Agent no later than [20][●] Banking Days following the publication of the Redemption Failure Notice (such date being the "**Alternative Acceleration Redemption Date**"), the Issuer shall use all reasonable endeavours to redeem each Security

- (a) by Delivery of a relevant portion of the Reference Asset or Asset Package, as the case may be, equivalent to the product of
- (A) the Aggregate Reference Asset Nominal Amount minus the Physical Settlement Adjustment Amount; and
- (B) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities (the "**Acceleration Delivery Amount**"); and
- (b) payment of the Supplemental Cash Amount (where relevant) to the account(s) specified in such Account Notice

[(4)[5]) If a FX Disruption Event has occurred, the Issuer shall redeem each Security by payment of the Acceleration Redemption Amount in the Reference Currency.]

[(5)[6]) Following Delivery of the Acceleration Delivery Amount and payment of the Supplemental Cash Amount (where relevant) in case of an Auction Failure [or] *[Insert if the Reference Currency is not equal to the Specified Currency: payment of the Acceleration Redemption Amount in the Reference Currency in case of a FX Disruption Event]*, all obligations of the Issuer with respect to the Security Holder shall cease and the Issuer is under no further Delivery or payment obligations.

[(6)[7]) The Delivery of the Acceleration Delivery Amount and payment of the Supplemental Cash Amount (where relevant) in case of an Auction Failure [and] *[Insert if the Reference Currency is not equal to the Specified Currency: payment of the Acceleration Redemption Amount in the Reference Currency in case of a FX Disruption Event]* is subject to the provisions in § 5 of the Special Conditions.

[(7)[8]) If it is impossible or illegal for the Issuer to deliver the Acceleration Delivery Amount *[Insert if the Reference Currency is not equal to the Specified Currency: or to pay the Acceleration Redemption Amount in the Reference Currency]*, then all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no obligation to deliver the Acceleration Delivery Amount *[Insert if the Reference Currency is not equal to the Specified Currency: or to pay the Acceleration Redemption Amount in the Reference Currency.]*

*[Insert if Risk Event "Custody Event" is applicable:]*

[(8)[9]) In case of a Custody Event all obligations of the Issuer to pay the Acceleration Redemption Amount [in the Reference Currency] or to deliver the Acceleration Delivery Amount (as the case may be) shall cease and the Issuer shall endeavour to transfer a pro rata share of the Issuer's rights and entitlements vis-à-vis the custodian to each Security Holder upon such Security Holders demand[, to the extent such rights and entitlements are not required to

indemnify the Issuer for the *[Insert for Securities with a built-in cross currency swap and if Reference Currency is equal to Specified Currency: Hedge Unwind Costs][Insert if Reference Currency is equal to Specified Currency: Related Costs]*].]

*[Insert for Securities with Physical Settlement:*

- (1) Upon the occurrence of a Risk Event and fulfilment of the Acceleration Condition

*[Insert if the Securities pay interest:*

- (i) Interest Amounts shall cease to accrue and shall not be payable in respect of the Securities from and including the Interest Payment Date immediately preceding the day on which a Risk Event has occurred; and
- (ii)] the Issuer shall redeem each Security on the Acceleration Redemption Date by
- (a) Delivery of a relevant portion of the Reference Asset or the Asset Package, as the case may be, to the Security Holders equivalent to the product of
- (A) the Aggregate Reference Asset Nominal Amount minus the Physical Settlement Adjustment Amount; and
- (B) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities
- (the "**Acceleration Delivery Amount**"); and
- (b) payment of the Supplemental Cash Amount (where relevant),

provided that if the Reference Asset or the Asset Package is zero or ceased to exist, then the Acceleration Delivery Amount shall be deemed to be zero and the Security Holders shall have no further right or claim whatsoever against the Issuer in respect of the Securities.

- (2) Following Delivery of the Acceleration Delivery Amount and payment of the Supplemental Cash Amount (where relevant) to the Clearing System for credit to the accounts of the relevant depository banks of the Security Holder, all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no further payment or Delivery obligations.
- (3) If it is – due to the occurrence of a Risk Event or otherwise – impossible or illegal for the Issuer to deliver the Acceleration Delivery Amount on the Acceleration Redemption Date (a "**Failure to Redeem**"), then the Issuer shall notify the Security Holders pursuant to § 6 of the General Conditions (such notice being a "**Redemption Failure Notice**").
- (4) Upon submission of an Account Notice by the Security Holders to the Principal Paying Agent no later than [20][●] Banking Days following the publication of such Redemption Failure Notice (such date being the "**Alternative Acceleration Redemption Date**"), the Issuer shall redeem each Security by payment of an amount for each Security (the "**Acceleration Redemption Amount**") equal to the product of
- (i) the Reference Asset Auction Proceeds minus *[Insert if Leverage Factor is applicable: the Leverage Loss Adjustment Amount minus][Insert for Securities with a built-in cross currency swap and if Reference Currency is equal to Specified Currency: the Hedge Unwind Costs][Insert if Reference Currency is not equal to Specified Currency: the Related Costs] [Insert if Interest Adjustment and/or Redemption Adjustment Amount is applicable: less the Adjustment Amount Value]*; and
- (ii) the Nominal Amount per Security divided by the Aggregate Nominal Amount of the Securities
- to the account(s) specified in such Account Notice.

- (5) Following payment of the Acceleration Delivery Amount on the Alternative Acceleration Redemption Date to the Security Holder, all obligations of the Issuer with respect to such

Security Holder shall cease and the Issuer is under no further payment or Delivery obligation.

- (6) The payment of the Acceleration Delivery Amount is subject to the provisions in § 5 of the Special Conditions.
- (7) If it is impossible or illegal for the Issuer to pay the Acceleration Redemption Amount on the Alternative Acceleration Redemption Date, then all obligations of the Issuer with respect to such Security Holder shall cease and the Issuer is under no obligation to pay the Acceleration Redemption Amount.]

[Insert if Risk Event "Custody Event" is applicable:

- (8) In case of a Custody Event all obligations of the Issuer to deliver the Acceleration Delivery Amount shall cease and the Issuer shall endeavour to transfer a pro rata share of the Issuer's rights and entitlements vis-à-vis the custodian to each Security Holder upon such Security Holders demand, to the extent such rights and entitlements are not required to indemnify the Issuer for the [Insert for Securities with a built-in cross currency swap and where Reference Currency is equal to Specified Currency: Hedge Unwind Costs][Insert if currency conversion is applicable: Related Costs].]

[Insert if Reference Currency is not equal to the Specified Currency:

([9][10]) Following the occurrence of a FX Disruption Event, the Issuer shall select in its reasonable discretion (§ 315 BGB) an exchange rate that most closely preserves the economic equivalent of the delivery or payment obligations (the "**Replacement Exchange Rate**"). All references to "FX Exchange Rate" shall be read and construed as being a reference to such Replacement Exchange Rate.]]

*[Product Type 3: Bond Linked Equity Linked Securities [with Cap]*

*Product Type 4: All Time High [Cap] Bond Linked Equity Securities*

## PART C - SPECIAL CONDITIONS OF THE SECURITIES

(the "Special Conditions")

### § 1

#### Definitions

"**Acceleration Event**" means the publication of a Risk Event Notice by the Issuer to the Security Holders during the Risk Event Notice Period.

"**Acceleration Redemption Date**" means the date specified in the Risk Event Notice which is no later than thirty (30) Banking Days following the Acceleration Event.

"**Adjustment Event**" means [each of the following events]:

[In the case of a share or a depository receipt as Underlying, the following applies:

- (a) each measure taken by the company that has issued the Underlying or by a third party, which would – due to a change in the legal and economic position, in particular a change in the company's fixed assets and capital – affect the Underlying not only immaterially (in particular capital increase against cash contribution, issuance of securities with options or conversion rights into shares, capital increase with company funds, distribution of special dividends, share splits, merger, liquidation, nationalisation); whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (c) an adjustment performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying, or
- (d) [a Hedging Disruption occurs;
- (e)] any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

[In the case of an index as Underlying, the following applies:

- (a) changes in the relevant Index Concept or the calculation of the Underlying, that 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) the calculation or publication of the Underlying is finally discontinued, or replaced by another index (the "**Index Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Underlying as a basis for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities; the Issuer shall be deemed not to be responsible for a termination of the license to use the Underlying due to an economically unreasonable increase in license fees (a "**License Termination Event**");
- (d) [a Hedging Disruption occurs;

- (e) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

[In the case of a fund as Underlying other than ETF, the following applies:

- (a) changes are made in one of the Fund Documents 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, (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); whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 or a breach of statutory or regulatory requirements by the Fund or the Management Company; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 comparison with the conditions applying on the First Trade Date; whether this is

the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 is of similarly good standing; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (z) the NAV is no longer published in the Underlying Currency,
- (aa) starting 31 December 2018, the Issuer does not receive with respect to [each Calculation Date][at least for one Calculation Date in each calendar month] a list of the investments held by the Fund and their weighting and, if the Fund invests in other funds, the corresponding positions of the investments held by these funds and their weighting on the [next following][within five] Banking Day[s][(each a "**Fund Replacement Event**")][;][.]

[(bb) a Hedging Disruption occurs] [;][.]

[(bb)][(cc)] [the historic volatility of the Underlying exceeds a volatility level of [Insert]%.][the historic volatility of the Underlying exceeds the historic volatility of the Benchmark on a day that is a Calculation Date and a Benchmark Calculation Date by more than [Insert]%.] The volatility is calculated on a Calculation Date [that is also 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 [that are also Benchmark Calculation Date] in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\left( \sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}}$$

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);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"ln [x]" denotes the natural logarithm of x.

[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:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{BRP(t-q)}{BRP(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

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 day that is a Calculation Date and a Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"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 ETF as Underlying, the following applies:

- (a) changes are made in one of the Fund Documents 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, (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); whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 or a breach of statutory or regulatory requirements by the Fund or the Management Company; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 comparison with the conditions applying on the First Trade Date; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 is of similarly good standing; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 officeholder 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (bb) the NAV is no longer published in the Underlying Currency,
- (cc) starting 31 December 2018, the Issuer does not receive with respect to [each Calculation Date][at least for one Calculation Date in each calendar month] a list of the investments held by the Fund and their weighting and, if the Fund invests in other funds, the corresponding positions of the investments held by these funds and their weighting on the [next following][within five] Banking Day[s];[.]

[(dd) a Hedging Disruption occurs];[.]

[(dd)][(ee)] [the historic volatility of the Underlying exceeds a volatility level of [Insert]%.][the historic volatility of the Underlying exceeds the historic volatility of the Benchmark on a day that is a Calculation Date and a Benchmark Calculation Date by more than [Insert]%.] The volatility is calculated on a Calculation Date [that is also 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 [that are also Benchmark Calculation Date] in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\left( \sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}}$$

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);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date [that is also a Benchmark Calculation Date] using the daily returns of the Underlying for the most recent [Insert number of days] Calculation Dates [that 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 [that are also Benchmark Calculation Dates] in each case. [The respective volatility determined using this method may not exceed a volatility level of [Insert]%.]

[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:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{BRP(t-q)}{BRP(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

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 day that is a Calculation Date and a Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"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.]]

*[In the case of an Index as Underlying referencing funds, the following applies:*

each Index Adjustment Event and Fund Adjustment Event.]

*[In the case of fund as Underlying or of an index as Underlying referencing funds, the following applies:*

"**Administrator**" means [the Administrator [specified in § 2 of the Product Data, Reference Asset Data and Underlying Data][as specified in the Fund Documents][of the Fund]. 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.]], in relation to a Fund, a person, company or institution appointed according to the Fund Documents for the purpose of providing administrative services to the Fund.]]

"**Affiliate**" has the meaning given to such term in § 5 (1) of the General Conditions.

"**Aggregate Nominal Amount**" means in respect of the Securities the amount specified as "Aggregate Nominal Amount" in § 1 of the Product Data, Reference Asset Data and Underlying Data.

"**Aggregate Reference Asset Nominal Amount**" means the actually issued Aggregate Nominal Amount (taking into account any increases following the issuance of additional Securities pursuant to § 7 (1) of the General Conditions and taking into account any decreases following the cancellation of Securities pursuant to § 7 (2) of the General Conditions after the Issue Date) multiplied with the Floor Level.

"**Auction**" means the following procedure:

- (a) At a date selected by the Calculation Agent using reasonable discretion on a Banking Day falling no later than ten (10) Banking Days following the day on which the Acceleration Event has occurred (the "**Reference Asset Valuation Date**"), the Calculation Agent shall attempt to obtain firm bid quotations from at least three

Dealers in accordance with prevailing market practice at the applicable time for the Reference Asset or the Substitute Asset as the case may be (the "**Valuation Asset**") in an amount equal to the Aggregate Reference Asset Nominal Amount (the "**Valuation Nominal Amount**"); provided that if the Calculation Agent has obtained at least two bid quotations, the Calculation Agent shall select the Dealer who has submitted the highest firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount, provided that if two or more Dealers have submitted an identical firm bid quotation, the Calculation Agent shall select one of those Dealers using reasonable discretion. If only one firm bid quotation is obtained, the Calculation Agent shall select the Dealer who has submitted such firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount (the Dealer selected pursuant to the foregoing procedure being the "**Selected Dealer**").

- (b) If no quotation has been submitted for the Valuation Nominal Amount, the Calculation Agent shall attempt during the Auction Period to obtain partial bid quotations in accordance to paragraph (a) above for quotation amounts less than the Valuation Nominal Amount ("**Partial Quotation Amounts**"). If different bid quotations have been submitted for Partial Quotation Amounts, the Calculation Agent shall calculate the average value of such quotations ("**Weighted Average Auction Value**"). As for Partial Quotation Amounts for which no quote has been submitted during the Auction Period, the quotation shall be calculated as equal to zero.

"**Auction Period**" means a period of fifteen (15) Banking Days following the Valuation Date.

"**Auction Price**" means the Reference Asset Auction Proceeds divided by the Valuation Nominal Amount.

*[In the case of fund as Underlying, the following applies:*

"**Auditor**" means [the Auditor [specified in § 2 of the Product Data, Reference Asset Data 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 relation to a Fund, a person, company or institution appointed according to the Fund Documents for the purpose of auditing the Fund in connection with the annual report].]

"**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) (the "**TARGET2**") is open for business] [is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].

[ "**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data. ]]

[ "**Bankruptcy of the Reference Entity**" means in relation to the Reference Entity that such entity:

- (a) is dissolved;
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or

liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof;

- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or
- (h) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g) above (including).]

[In the case of Securities with a Best-in observation, the following applies:

"**Best-in Period**" means each Relevant Observation Date (initial) between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with fund as Underlying and with a Best-out observation, the following applies:

"**Best-out Period**" means each Relevant Observation Date (final) between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

[In the case of All Time High Bond-linked Equity Securities, the following applies:

"**Best Performance of the Underlying**" means the quotient of  $R_{\text{final}}_{\text{best}}$ , as the numerator, and  $R_{\text{initial}}$ , as the denominator.].

"**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][Relevant Exchange][Index Sponsor or the Index Calculation Agent, as the case may be].

"**Change in Law**" means in respect to the Index 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),

in the reasonable discretion of the Issuer,

- (a) the holding, acquisition or sale of the Index 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
- (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.

*[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 with respect to the [Underlying] [the securities that form the basis of the Underlying]; such system shall be determined 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 such Clearance System is open for the acceptance and execution of settlement instructions.]

**"Clearing System"** means [Clearstream Banking AG, Frankfurt am Main ("CBF")][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")] [Euroclear France SA ("Euroclear France")] [*Insert other Clearing System(s)*].

**"Conditional Minimum Redemption Amount"** means the Conditional Minimum Redemption Amount, as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**["Conversion Event"** means [Share Conversion Event][,] [Index Conversion Event][,] [Fund Conversion Event][,] [Change in Law [and/or a Hedging Disruption and/or Increased Cost of Hedging].]

**["Custodian Bank"** means [the Custodian Bank [specified in § 2 of the Product Data, Reference Asset Data 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] [, in relation to a Fund, a person, company or institution acting as custodian of the Fund's assets according to the Fund Documents].]

**"Dealer"** means each dealer (which may include any Security Holder or its Affiliates or Affiliates of the Issuer) in obligations of the type similar to those of the Reference Asset (or any Substitute Asset (if applicable)) as of the Valuation Date as selected by the Calculation Agent in good faith and in a commercially reasonable manner.

**["Determining Futures Exchange"** means the futures exchange, on which derivatives of the Underlying [or – if derivatives on the Underlying are not traded – of its components] (the **"Derivatives"**) are most liquidly traded; such futures exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

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 [or to its components] at the Determining Futures Exchange or a considerably restricted number or liquidity, it shall be substituted as the Determining Futures Exchange by another futures exchange that offers satisfactorily liquid trading in the Derivatives (the **"Substitute Futures Exchange"**); such futures exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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.]

**"Enforcement Event"** means the Enforcement Event as described in Art. VI of the Master Pledge Agreement (Annex 1 to this Base Prospectus).

[In the case of ETF as Underlying the following applies:

**"Exchange Traded Fund"** a Fund specified as Exchange Traded Fund in § 2 of the Product Data, Reference Asset Data and Underlying Data.]

**"Failure to Pay"** means the failure by the Reference Entity to make any payments under the Reference Asset, when and where due, in accordance with the terms of such Reference Asset at the time of such failure.

[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 Data, Reference Asset Data 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 Data, Reference Asset Data and Underlying Data.]

**"First Trade Date"** means the date specified as "First Trade Date" in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**"Floor Level"** means the Floor Level, as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

[In the case of a fund as Underlying or an index as Underlying referencing funds, the following applies:

**"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.

[In the case of an index as Underlying, referencing funds, the following applies:

**"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 (§ 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 Fund, (ii) the investment objectives or investment strategy or investment restrictions of the 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 Fund and where included in the Underlying); whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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) (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, 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 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 Fund (as defined in the Fund Documents) or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (g) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 Fund;
- (i) the Issuer or the Hedging Party is required to consolidate the 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 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 Fund; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 (§ 315 BGB) of the Calculation Agent;
- (m) 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;
- (n) the 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 Fund in a significant respect or terminates that agreement;
- (o) the 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 Fund's investment guidelines or restrictions in a timely manner;

- (p) the 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 Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;
- (r) starting 31 December 2018 the Issuer does not receive with respect to [each Calculation Date][at least for one Calculation Date in each calendar month] a list of the investments held by the Fund and their weighting and, if the Fund invests in other funds, the corresponding positions of the investments held by these funds and their weighting on the [next following][within five] Banking Day[s] (each a "**Fund Replacement Event**")[:][.]
- (s) a Hedging Disruption occurs.]

[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 a fund as Underlying, the following applies:*

"**Fund Conversion Event**" means any of the following events:

- (a) no Replacement Underlying is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- [(b)]no Replacement Management Company is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);[
- [(c)] a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging]] occur[s];
- [(d)] 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)].]

*[In the case of an index as Underlying referencing funds, the following applies:*

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.]

*[In the case of a fund as Underlying or an index as Underlying referencing funds, the following applies:*

"**Fund Documents**" means, in relation to [the Fund][a 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 [Reference]Fund in which the terms and conditions of the [Reference]Fund and of the Fund Shares are specified.]

*[In the case of a fund as Underlying, the following applies:*

"**Fund Management**" means the persons responsible for the portfolio and/or risk management of the Fund.]

*[In the case of a fund as Underlying or an index as Underlying, referencing funds, the following applies:*

**"Fund Services Provider"** means, if available, [in relation to a Fund] the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor [of the Fund].

**"Fund Share"** means [a unit or share of the Fund and of the class set out in § 1 of the Product Data, Reference Asset Data and Underlying Data][an Index Component which is a share in a Fund].]

**"Governmental Authority"** means:

- (a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in sections (a) to (c).

**["Governmental Intervention"** means that, with respect to the Reference Asset, any one or more of the following events occurs as a result of action taken or an announcement made by any authority (including, without limitation, Governmental Authorities) pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Reference Asset:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (ii) a postponement or other deferral of a date or dates for the payment of principal or premium; or
  - (iii) a change in the ranking in priority of payment of the Reference Asset, causing the subordination of such Reference Asset to any other Reference Asset;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Asset;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in (a) to (c).]

**["Hedging Disruption"** means that the Issuer is not able to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which 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,

under conditions which are economically substantially equivalent to those on the First Trade Date; whether this is the case shall be determined by the Issuer in its reasonable (§ 315 BGB).]

**["Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures 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 (respectively) which 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,

whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB). Cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

*[In the case of an index as Underlying referencing funds, the following applies:*

**"Index Adjustment Event"** means any of the following events:

- (a) changes in the relevant Index Concept or the calculation of the Underlying that 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)
- (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 Data, Reference Asset Data 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) no suitable Replacement Underlying is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) a Change in Law [and/or a Hedging Disruption][and/or Increased Costs of Hedging]] occur[s];
- (c) the Underlying is no longer calculated or published in the Underlying Currency[;
- (d) no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)[;
- (e) an adjustment pursuant to § 8 (2) or (3) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)]

**"Index Sponsor"** means the Index Sponsor as specified in § 2 of the Product Data, Reference Asset Data and Underlying Data.]

**["Investment Adviser"** means [the Investment Adviser [specified in § 2 of the Product Data, Reference Asset Data 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 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][, in relation to a Fund, a person, company or institution appointed according to the Fund Documents as an adviser with respect to the investment activities of the Fund].]

**"Issue Date"** means the date specified as "Issue Date" in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**["Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product Data, Reference Asset Data 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 Data, Reference Asset Data 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 Data, Reference Asset Data and Underlying Data.]

[In the case of a fund as Underlying or an index as Underlying referencing a fund, the following applies:

**["Management Company"** means [the Management Company [specified in § 2 of the Product Data, Reference Asset Data and Underlying Data][as specified in the Fund Documents][of the Fund]. If the Fund specifies another person, company or institution 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][, in relation to a Fund, a person, company or institution that manages the Fund according to the Fund Documents].]

**"Market Disruption Event"** means each of the following events:

[In the case of a share or a depository receipt 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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 an index as Underlying, the following applies:

- (a) in general the suspension or restriction of trading on the exchanges or the markets on which the [securities that form the basis of the Underlying][components of the Underlying] are listed or traded, or on the respective futures exchanges or on the markets on which Derivatives of the Underlying are listed or traded;
- (b) in relation to [individual securities which form the basis of the

Underlying][components of the Underlying], the suspension or restriction of trading on the exchanges or on the markets on which such [securities][components] are traded or on the respective futures exchange or the markets on which derivatives of such [securities][components] are traded;

- (c) in relation to individual Derivatives of the Underlying, the suspension or restriction of trading on the futures exchanges or the markets on which such derivatives are traded;
- (d) the suspension of or failure or the non-publication of the calculation of the Underlying as a result of a decision by the Index Sponsor or the Index Calculation Agent;

[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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)][to the extent that such Market Disruption Event is material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)]. 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 a fund as 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 (§ 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;
- [(d) 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;]

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 [(with exception of (d) for which the time at which the NAV is usually published should be the relevant point in time)]; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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 an index as Underlying referencing funds, the following applies:*

*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 Fund:*

- (e) in relation to a 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 Fund, the closure, conversion or insolvency of the Fund or other circumstances which make it impossible to determine the NAV, or
- (g) in relation to a 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 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 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 Fund are listed or traded,

to the extent that that event is material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

**"Maturity Date"** means the date specified as "Maturity Date" in § 1 of the Product Data, Reference Asset Data and Underlying Data.

[In the case of [All Time High] [Cap] Bond-linked Equity Securities [with Cap], the following applies:

**"Maximum Additional Redemption Amount"** means the Maximum Additional Redemption Amount as specified in § 1 of the Product Data, Reference Asset Data 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 in respect of each Nominal Amount of the Security the amount specified as "Nominal Amount" in § 1 of the Product Data, Reference Asset Data 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] as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data. If [the][an] Initial Observation Date is not a Calculation Date, the [immediately][next] following [Banking] Day, which is a Calculation Date shall be the [respective] Initial Observation Date.

**"Final Observation Date"** means [the Final Observation Date] [each of the Final Observation Dates] as in § 1 of the Product Data, Reference Asset Data and Underlying Data. If [the][a] Final Observation Date is not a Calculation Date, the [immediately][next] following Day which is a Calculation Date shall be the [respective] Final Observation Date. [The Maturity Date will be postponed accordingly.] [If the last Final Observation Date is not a Calculation Date, the Maturity Date will be postponed accordingly.] Interest shall not be payable due to such postponement.

[In the case of Securities with Best-in or Worst-in observation, the following applies:

**"Relevant Observation Date (initial)"** means [insert relevant day(s)].]

[In the case of Securities with Best-out or Worst-out observation the following applies:

**"Relevant Observation Date (final)"** means [insert relevant day(s)]

**"Participation Factor"** means the factor specified as "Participation Factor" in § 1 of the Product Data, Reference Asset Data and Underlying Data.

[In the case of All Time High Bond-linked Equity Securities, the following applies:

**"Participation Factor<sub>best</sub>"** means the Participation Factor<sub>best</sub> as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

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

**"Pledge Agreement"** means a pledge agreement entered into between the Issuer and the Trustee without undue delay following the Issue Date and substantially in a form as in Annex 1 to this Base Prospectus.

[In the case of fund as Underlying or an index as Underlying referencing a fund, the following applies:

**"Portfolio Manager"** means [the Portfolio Manager [specified in § 2 of the Product Data, Reference Asset Data 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 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][, in relation to a Fund, a person, company or institution appointed according to the Fund Documents as an portfolio manager with respect to the investment

activities of the Fund].]

**"Principal Paying Agent"** means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities with final Reference Price observation, the following applies:

[In other cases, the following applies:

**"R (final)"** means the Reference Price on the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

**"R (final)"** means the equally weighted average (arithmetic average) of the Reference Prices specified on the Final Observation Dates.]

[In the case of Securities with [Best] [Worst]-out observation, the following applies:

**"R (final)"** means the [highest] [lowest] Reference Price on [each of the Final Observation Dates] [each [Insert relevant day(s)] between the First Day of the [Best] [Worst]-out Period (including) and the Final Observation Date (including)].]

[In the case of All Time High Bond-Linked Equity Securities, the following applies:

**"R (final)<sub>best</sub>"** means the highest Reference Price [of the Reference Prices determined on each of the Final Observation Dates] [of the Reference Prices determined on each Relevant Observation Date (final) between the First Day of the Best out-Period (inclusive) and the [last] Final Observation Date (inclusive)].]

[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 Data, Reference Asset Data and Underlying Data.]

[In the case of Securities with initial Reference Price observation, the following applies:

**"R (initial)"** means the Reference Price on the Initial Observation Date.]

[In the case of Securities with initial average observation, the following applies:

**"R (initial)"** means the equally weighted average (arithmetic average) of the Reference Prices specified on the Initial Observation Dates.]

[In the case of Securities with [Best] [Worst]-in observation, the following applies:

**"R (initial)"** means the [highest] [lowest] Reference Price on [each of the Initial Observation Dates] [each [Insert relevant day(s)] between the Initial Observation Date (including) and the Last Day of the [Best] [Worst]-in Period (including)].]

**"Ratio"** means [(Floor Level x Nominal Amount) / Reference Asset Nominal Amount] [the Ratio as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data].

**"Redemption Amount"** means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 3 of the Special Conditions.

**"Reference Asset"** means the obligation specified as Reference Asset in § 2 of the Product Data, Reference Asset Data and Underlying Data.

**"Reference Asset Auction Proceeds"** means per Nominal Amount of the Security the cash amount in the Reference Currency actually received from the Selected Dealer through the procedure of an Auction for the Reference Asset or, as the case may be, the Substitute Asset in respect of the Reference Asset Nominal Amount, such cash amount determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) in accordance with prevailing market practice during the Auction Period. The Reference Asset Auction Proceeds may be equal to zero.

**"Reference Asset Nominal Amount"** means in relation to the Reference Asset the amount specified as "Reference Asset Nominal Amount" in § 2 of the Product Data, Reference Asset Data and Underlying Data. In relation to the Substitute Asset the Reference Asset Nominal Amount shall be the respective Nominal Amount of such Substitute Asset.

**"Reference Asset Redemption Amount"** means per Nominal Amount of the Security the sum of all amounts of payment or repayment of principal actually received by the Issuer with discharging effect under the laws applicable to the Reference Asset on or prior to the Maturity Date, as applicable, in its capacity as a Reference Holder in respect of the Reference Asset Nominal Amount of the Reference Asset (or Substitute Asset, as applicable) in respect of the redemption of the Reference Asset (or Substitute Asset, as applicable), multiplied with the Ratio. The Reference Asset Redemption Amount is in no case lower than zero.

**"Reference Currency"** means the currency in which the Reference Asset is denominated on the Issue Date specified as Reference Currency in § 2 of the Product Data, Reference Asset Data and Underlying Data.

**"Reference Entity"** means the entity specified as Reference Entity in § 2 of the Product Data, Reference Asset Data and Underlying Data and at any time the then current primary obligor of the Reference Asset (which term includes any successor to the original Reference Entity and each entity which is directly or indirectly guaranteeing the payment or repayment of such Reference Asset as of the Issue Date).

**"Reference Holder"** means a holder of the Reference Asset (or Substitute Asset, as applicable) which is domiciled in the jurisdiction of the Issuer of the Securities.

**"Reference Price"** means the Reference Price of the Underlying as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**["Relevant Exchange"** means the [Relevant Exchange as specified [in the column "Relevant Exchange" in Table 2.1] in § 2 of the Product Data, Reference Asset Data and Underlying Data][exchange on which the components of the Underlying are most liquidly traded; such exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

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 components] of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Relevant Exchange shall be substituted as the Relevant Exchange by another exchange that offers satisfactorily liquid trading in the Underlying (the "**Substitute Exchange**"); such exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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.]

**"Restructuring"** means that, with respect to the Reference Asset any one or more of the following events occurs in a form that (i) binds all holders of the Reference Asset, (ii) is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Reference Asset to bind all holders of the Reference Asset or (iii) is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of the Reference Asset (including, in each case, in respect of bonds only, by way of an exchange), in effect as of the later of the Issue Date and the date as of which the Reference Asset is issued or incurred:

- (a) a reduction in the amount of principal or premium payable at maturity (including by way of redenomination);
- (b) a postponement or other deferral of a date or dates for the payment of principal or premium;
- (c) a change in the ranking in priority of payment of the Reference Asset, causing a

subordination of such Reference Asset to any other obligation of the Reference Entity.

**"Risk Event"** means a [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].

**"Risk Event Calculation Date"** means the date on which the Calculation Agent calculates the Acceleration Redemption Amount. The calculation has to be done as soon as reasonably practicable after the earlier of:

- (a) one (1) Banking Day following the date on which the Issuer received the Reference Asset Auction Proceeds; and
- (b) one (1) Banking Day following the last day of the Auction Period.

**"Risk Event Notice"** means an irrevocable notice by the Issuer in accordance with § 6 of the General Conditions that describes a Risk Event which has occurred during the Risk Event Notice Period and specifies the Acceleration Redemption Date. A Risk Event Notice shall contain a description in reasonable detail of the facts relevant to the determination that a Risk Event has occurred. The Risk Event that is the subject of the Risk Event Notice does not need to be continuing on the date the Risk Event Notice becomes effective.

**"Risk Event Notice Period"** means the period from and including 12:01 a.m., Munich time, on the Issue Date to 11:59 p.m., Munich time, on the Maturity Date.

**"Scheduled Reference Asset Maturity Date"** means the date specified as Scheduled Reference Asset Maturity Date in § 2 of the Product Data, Reference Asset Data and Underlying Data.

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

**"Security Trust Agreement"** means the security trust agreement entered into between the Issuer and the Trustee without undue delay following the Issue Date and substantially in a form as attached in Annex 2 to this Base Prospectus.

**"Settlement Cycle"** means [the period of Clearance System Business Days following a transaction on the Relevant Exchange [with respect to the Underlying][in the securities that form the basis of the Underlying] during which period settlement will customarily take place according to the rules of such Relevant Exchange]

[In the case of a share or a depository receipt as Underlying, the following applies:

**"Share Conversion Event"** means each of the following events:

- (a) the quotation of the Underlying at the Relevant Exchange is finally ceased and no Substitute Exchange could be determined; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) the quotation of the Underlying at the Relevant Exchange no longer occurs in the Underlying Currency;
- (c) a Change in Law [and/or a Hedging Disruption and/or Increased Costs of Hedging] occur[s];
- (d) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders; whether this is the case shall be determined by the Calculation Agent in its reasonable (§ 315 BGB)]

**"Specified Currency"** means the currency in which the Securities are denominated on the Issue Date specified as Specified Currency in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**"Strike Level"** means Strike Level as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

"**Substitute Assets**" means securities, rights and/or other assets (whether tangible or otherwise) (in each case, whether of the relevant Reference Entity or of a third party) that a Reference Holder receives or becomes entitled to receive for the Reference Asset in respect of the Reference Asset Nominal Amount due to a Risk Event during the Risk Event Notice Period.

"**TARGET2**" means the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2).

"**Terms and Conditions**" means the terms and conditions of these Securities as set out in the General Conditions (Part A), the Product Data, Reference Asset Data and Underlying Data (Part B) and the Special Conditions (Part C).

"**Trustee**" means the person acting as trustee from time to time under the Security Trust Agreement.

"**Underlying**" means the Underlying as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product Data, Reference Asset Data and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data .

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

[In the case of Securities with a Worst-in observation period, the following applies:]

"**Worst-in Period**" means each Relevant Observation Date (initial) 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 each Relevant Observation Date (final) between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

## § 2

### Interest

*Interest:* The Securities do not bear interest.

## § 3

### Redemption

- (1) *Redemption:* Subject to the occurrence of an Acceleration Event and subject to the occurrence of a Conversion Event, each Security shall be redeemed on the Maturity Date at an amount equal to the Redemption Amount, subject to and in accordance with § 6 of the Special Conditions.
- (2) *Redemption Amount:* The Redemption Amount per Nominal Amount of the Security shall be an amount in the Specified Currency calculated or specified by the Calculation Agent as follows:

The Redemption Amount equals the sum of (i) the Redemption Amount Component 1 and (ii) the Redemption Amount Component 2.

The Issuer shall notify the Security Holders in accordance with § 6 of the General Conditions of the determined Redemption Amount.

- (3) *Redemption Amount Component 1*: The "**Redemption Amount Component 1**" per Nominal Amount of the Security shall be equal to the Conditional Minimum Redemption Amount.
- (4) *Redemption Amount Component 2*: The "**Redemption Amount Component 2**" per Nominal Amount of the Security shall be equal to:

[In the case of Bond-linked Equity Securities [with Cap], the following applies:

Nominal Amount x Participation Factor x (Performance of the Underlying – Strike Level)]

[In the case of All Time High [Cap] Bond-linked Equity Securities, the following applies:

Nominal Amount x Participation Factor x max (Participation Factor x (Performance of the Underlying – Strike Level); Participation Factor<sub>best</sub> x Best Performance of the Underlying – Strike Level)]

The Redemption Amount Component 2 is in no case lower than zero [and not higher than the Maximum Additional Redemption Amount].

***Product Type 5: Cash Collect Bond-linked Equity Securities***

***Product Type 6: Performance Cash Collect Bond-linked Equity Securities***

***Product Type 7: Digital Coupon Bond-linked Equity Securities***

*[In the case of Cash Collect Bond-linked Equity Securities, Digital Cash Collect Bond-linked Equity Securities, Performance Cash Collect Bond-linked Equity Securities, Digital Coupon Bond-linked Equity Securities the following applies:]*

**§ 1**

**Definitions**

"**Acceleration Event**" means the publication of a Risk Event Notice by the Issuer to the Security Holders during the Risk Event Notice Period.

"**Acceleration Redemption Date**" means the date specified in the Risk Event Notice which is no later than thirty (30) Banking Days following the Acceleration Event.

"**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 Data, Reference Asset Data and Underlying Data.

"**Adjustment Event**" means [each of the following events]:

*[In the case of a share or a depository receipt as Underlying, the following applies:]*

- (a) each measure taken by the company that has issued the Underlying or by a third party, which would – due to a change in the legal and economic position, in particular a change in the company's fixed assets and capital – affect the Underlying not only immaterially (in particular capital increase against cash contribution, issuance of securities with options or conversion rights into shares, capital increase with company funds, distribution of special dividends, share splits, merger, liquidation, nationalisation); whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (c) an adjustment performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying, or
- (d) [a Hedging Disruption occurs;
- (e)] any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

*[In the case of an index as Underlying, the following applies:]*

- (a) changes in the relevant Index Concept or the calculation of the Underlying, that 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)
- (b) the calculation or publication of the Underlying is finally discontinued, or replaced by another index (the "**Index Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer

entitled to use the Underlying as a basis for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities; the Issuer shall be deemed not to be responsible for a termination of the license to use the Underlying due to an economically unreasonable increase in license fees (a "**License Termination Event**");

- (d) [a Hedging Disruption occurs;
- (e)] any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

[In the case of a fund as Underlying other than ETF, the following applies:

- (a) changes are made in one of the Fund Documents 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, (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); whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 or a breach of statutory or regulatory requirements by the Fund or the Management Company; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

- (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 comparison with the conditions applying on the First Trade Date; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 is of similarly good standing; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (z) the NAV is no longer published in the Underlying Currency,
- (aa) starting 31 December 2018, the Issuer does not receive with respect to [each Calculation Date][at least for one Calculation Date in each calendar month] a list of the investments held by the Fund and their weighting and, if the Fund invests in other funds, the corresponding positions of the investments held by these funds and their weighting on the [next following][within five] Banking Day[s][(each a "**Fund Replacement Event**")];[.]
- [(bb) a Hedging Disruption occurs] [;][.]
- [(bb)][(cc)] [the historic volatility of the Underlying exceeds a volatility level of [Insert]%.][the historic volatility of the Underlying exceeds the historic volatility of the Benchmark on a day that is a Calculation Date and a Benchmark Calculation Date by more than [Insert]%.] The volatility is calculated on a Calculation Date [that is also 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 [that are also Benchmark Calculation Date] 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);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"ln [x]" denotes the natural logarithm of x.

[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:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{BRP(t-q)}{BRP(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

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 day that is a Calculation Date and a Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"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 ETF as Underlying, the following applies:

- (a) changes are made in one of the Fund Documents 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, (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); whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 or a breach of statutory or regulatory requirements by the Fund or the Management Company; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 comparison with the conditions applying on the First Trade Date; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 is of similarly good standing; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 officeholder 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (bb) the NAV is no longer published in the Underlying Currency,
- (cc) starting 31 December 2018, the Issuer does not receive with respect to [each Calculation Date][at least for one Calculation Date in each calendar month] a list of the investments held by the Fund and their weighting and, if the Fund invests in other funds, the corresponding positions of the investments held by these funds and their weighting on the [next following][within five] Banking Day[s][(each a "**Fund Replacement Event**")][;][.]

[(dd) a Hedging Disruption occurs][;][.]

[(dd)][(ee)] [the historic volatility of the Underlying exceeds a volatility level of [Insert]%.][the historic volatility of the Underlying exceeds the historic volatility of the Benchmark on a day that is a Calculation Date and a Benchmark Calculation Date by more than [Insert]%.] The volatility is calculated on a Calculation Date [that is also 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 [that are also Benchmark Calculation Date] 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);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date [that is also a Benchmark Calculation Date] using the daily returns of the Underlying for the most recent [Insert number of days] Calculation Dates [that 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 [that are also Benchmark Calculation Dates] in each case. [The respective volatility determined using this method may not exceed a volatility level of [Insert]%.]

[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:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{BRP(t-q)}{BRP(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

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 day that is a Calculation Date and a Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"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.]]

[In the case of an Index as Underlying referencing funds, the following applies:

each Index Adjustment Event and Fund Adjustment Event.]

[In the case of fund as Underlying or of an index as Underlying referencing funds, the following applies:

**"Administrator"** means [the Administrator [specified in § 2 of the Product Data, Reference Asset Data and Underlying Data][as specified in the Fund Documents][of the Fund]. 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.]], in relation to a Fund, a person, company or institution appointed according to the Fund Documents for the purpose of providing administrative services to the Fund.]]

**"Aggregate Nominal Amount"** means the Aggregate Nominal Amount of the Series as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data .

**"Aggregate Reference Asset Nominal Amount"** means the actually issued Aggregate Nominal Amount (taking into account any increases following the issuance of additional Securities pursuant to § 7 (1) of the General Conditions and taking into account any decreases following the cancellation of Securities pursuant to § 7 (2) of the General Conditions after the

Issue Date) multiplied with the Floor Level.

"**Auction**" means the following procedure:

- (a) At a date selected by the Calculation Agent using reasonable discretion on a Banking Day falling no later than ten (10) Banking Days following the day on which the Acceleration Event has occurred (the "**Reference Asset Valuation Date**"), the Calculation Agent shall attempt to obtain firm bid quotations from at least three Dealers in accordance with prevailing market practice at the applicable time for the Reference Asset or the Substitute Asset as the case may be (the "**Valuation Asset**") in an amount equal to the Aggregate Reference Asset Nominal Amount (the "**Valuation Nominal Amount**"); provided that if the Calculation Agent has obtained at least two bid quotations, the Calculation Agent shall select the Dealer who has submitted the highest firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount, provided that if two or more Dealers have submitted an identical firm bid quotation, the Calculation Agent shall select one of those Dealers using reasonable discretion. If only one firm bid quotation is obtained, the Calculation Agent shall select the Dealer who has submitted such firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount (the Dealer selected pursuant to the foregoing procedure being the "**Selected Dealer**").
- (b) If no quotation has been submitted for the Valuation Nominal Amount, the Calculation Agent shall attempt during the Auction Period to obtain partial bid quotations in accordance to paragraph (a) above for quotation amounts less than the Valuation Nominal Amount ("**Partial Quotation Amounts**"). If different bid quotations have been submitted for Partial Quotation Amounts, the Calculation Agent shall calculate the average value of such quotations ("**Weighted Average Auction Value**"). As for Partial Quotation Amounts for which no quote has been submitted during the Auction Period, the quotation shall be calculated as equal to zero.

"**Auction Period**" means a period of fifteen (15) Banking Days following the Valuation Date.

"**Auction Price**" means the Reference Asset Auction Proceeds divided by the Valuation Nominal Amount.

*[In the case of fund as Underlying, the following applies:*

"**Auditor**" means [the Auditor [specified in § 2 of the of the Product Data, Reference Asset Data 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 relation to a Fund, a person, company or institution appointed according to the Fund Documents for the purpose of auditing the Fund in connection with the annual report].]

"**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][is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].

["**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data .]

["**Bankruptcy of the Reference Entity**" means in relation to the Reference Entity that such entity:

- (a) is dissolved;

- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof;
- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or
- (h) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g) above (including).]

[In the case of Securities with a Best-in observation, the following applies:

**"Best-in Period"** means each Relevant Observation Date (initial) between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with fund as Underlying and with a Best-out observation, the following applies:

**"Best-out Period"** means each Relevant Observation Date (final) 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][Relevant Exchange][Index Sponsor or the Index Calculation Agent, as the case may be].

**["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 but not limited to the administrative practice of the tax or financial supervisory authorities),

that becomes effective on or after the Issue Date of the Securities,

[(a)] 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

- (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)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion (§ 315 BGB).]

["**Clearance System**" means the principal domestic clearance system customarily used for settling trades with respect to the [Underlying] [the securities that form the basis of the Underlying]; such system shall be determined 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 such Clearance System is open for the acceptance and execution of settlement instructions.]

"**Clearing System**" means [Clearstream Banking AG, Frankfurt am Main ("**CBF**") [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**") [Euroclear France SA ("**Euroclear France**") [Insert other Clearing System(s)].

["**Conversion Event**" means [Share Conversion Event][,] [Index Conversion Event][,] [Fund Conversion Event][,] [Change in Law [and/or a Hedging Disruption and/or Increased Cost of Hedging].]

["**Custodian Bank**" means [the Custodian Bank [specified in § 2 of the Product Data, Reference Asset Data 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] [, in relation to a Fund, a person, company or institution acting as custodian of the Fund's assets according to the Fund Documents].]

"**Dealer**" means each dealer (which may include any Security Holder or its Affiliates or Affiliates of the Issuer) in obligations of the type similar to those of the Reference Asset (or any Substitute Asset (if applicable)) as of the Valuation Date as selected by the Calculation Agent in good faith and in a commercially reasonable manner.

["**Determining Futures Exchange**" means the futures exchange, on which derivatives of the Underlying [or – if derivatives on the Underlying are not traded – its components] (the "**Derivatives**") are most liquidly traded; the relevant futures exchange shall be traded; the relevant futures exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

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 [or to its components] at the Determining Futures Exchange or a considerably restricted number or liquidity, it shall be substituted as the determining futures exchange by another futures exchange that offers satisfactorily liquid trading in the Derivatives (the "Substitute Futures Exchange"); such futures exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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.]

"**Enforcement Event**" means the Enforcement Event as described in Art. VI of the Master Pledge Agreement (Annex 1 to this Base Prospectus).

[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 Data, Reference Asset Data and Underlying Data.]

"**Failure to Pay**" means the failure by the Reference Entity to make any payments under the Reference Asset, when and where due, in accordance with the terms of such Reference Asset at the time of such failure.

[In the case of [Performance][Digital] Cash Collect Bond-linked Equity Securities, the following applies:

"**Final Participation Factor**" means the Final Participation Factor as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data .]

[In the case of [Performance][Digital] Cash Collect Bond-linked Equity Securities, the following applies:

"**Final Strike Level**" means the Final Strike Level as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

["**First Day of the [Best][Worst]-out Period**" means the First Day of the [Best][Worst]-out Period as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

"**Floor Level**" means the Floor Level, as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

[In the case of a fund as Underlying or an index as Underlying referencing funds, the following applies:

"**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.

[In the case of an index as Underlying, referencing funds, the following applies:

"**Fund Adjustment Event**" means:

- (t) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion (§ 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 Fund, (ii) the investment objectives or investment strategy or investment restrictions of the 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;
- (u) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (v) 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 Fund and where included in the Underlying); whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (w) 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;

- (x) (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, 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 as a result of misconduct, a violation of the law or for similar reasons;
- (y) a breach of the investment objectives or the investment restrictions of the Fund (as defined in the Fund Documents) or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (z) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (aa) 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 Fund;
- (bb) the Issuer or the Hedging Party is required to consolidate the Fund as a result of accounting or other regulations;
- (cc) 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;
- (dd) 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 of the Fund; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (ee) 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 (§ 315 BGB) of the Calculation Agent;
- (ff) 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;
- (gg) the 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 Fund in a significant respect or terminates that agreement;

- (hh) the 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 Fund's investment guidelines or restrictions in a timely manner;
- (ii) the 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;
- (jj) any other event that could have a noticeable adverse effect on the net asset value of the Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;
- (kk) starting 31 December 2018 the Issuer does not receive with respect to [each Calculation Date][at least for one Calculation Date in each calendar month] a list of the investments held by the Fund and their weighting and, if the Fund invests in other funds, the corresponding positions of the investments held by these funds and their weighting on the [next following][within five] Banking Day[s] [;].]
- (ll) a Hedging Disruption occurs.]

[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 a fund as Underlying, the following applies:*

**"Fund Conversion Event"** means any of the following events:

- (a) no Replacement Underlying is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- [(b)]no Replacement Management Company is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);[
- [(c)] a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging]] occur[s];
- [(d)] 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)].]

*[In the case of an index as Underlying referencing funds, the following applies:*

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.]

*[In the case of a fund as Underlying or an index as Underlying referencing funds, the following applies:*

**"Fund Documents"** means, in relation to [the Fund][a 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 [Reference]Fund in which the terms and conditions of the [Reference]Fund and of the Fund Shares are specified.]

*[In the case of a fund as Underlying, the following applies:*

**"Fund Management"** means the persons responsible for the portfolio and/or risk management of the Fund.]

*[In the case of a fund as Underlying or an index as Underlying, referencing funds, the following applies:*

**"Fund Services Provider"** means, if available, [in relation to a Fund] the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor [of the Fund].

**"Fund Share"** means [a unit or share of the Fund and of the class set out in § 1 of the Product Data, Reference Asset Data and Underlying Data][an Index Component which is a share in a Fund].]

**"Governmental Authority"** means:

- (a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in sections (a) to (c).

**["Governmental Intervention"** means that, with respect to the Reference Asset, any one or more of the following events occurs as a result of action taken or an announcement made by any authority (including, without limitation, Governmental Authorities) pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Reference Asset:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (ii) a postponement or other deferral of a date or dates for the payment of principal or premium; or
  - (iii) a change in the ranking in priority of payment of the Reference Asset, causing the subordination of such Reference Asset to any other Reference Asset;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Asset;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in (a) to (c).]

**["Hedging Disruption"** means that the Issuer is not able to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which 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,

under conditions which are economically substantially equivalent to those on the First Trade Date; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

*[In the case of an index as Underlying referencing funds, the following applies:*

**"Hedging Party"** means the Hedging Party as specified in § 1 of the Product Data, Reference Asset Data 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, expenditures 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 (respectively) which 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,

whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB). Cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

*[In the case of an index as Underlying referencing funds, the following applies:*

**"Index Adjustment Event"** means any of the following events:

- (a) changes in the relevant Index Concept or the calculation of the Underlying that 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)
- (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 of the Product Data, Reference Asset Data 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) no suitable Replacement Underlying is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) a Change in Law [and/or a Hedging Disruption][and/or Increased Costs of Hedging]] occur[s];
- (c) the Underlying is no longer calculated or published in the Underlying Currency[;
- (d) no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)[;

- (e) an adjustment pursuant to § 8 (2) or (3) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)]

**"Index Sponsor"** means the Index Sponsor as specified in § 2 of the Product Data, Reference Asset Data and Underlying Data.]

**"Investment Adviser"** means [the Investment Adviser [specified in § 2 of the Product Data, Reference Asset Data 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 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][, in relation to a Fund, a person, company or institution appointed according to the Fund Documents as an adviser with respect to the investment activities of the Fund].]

**"Issue Date"** means the Issue Date as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**"Issuing Agent"** means the Issuing Agent as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

**"Last Day of the [Best][Worst]-in Period"** means the Last Day of the [Best][Worst]-in Period as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

*[In the case of a fund as Underlying or an index as Underlying referencing a fund, the following applies:*

**"Management Company"** means [the Management Company [specified in § 2 of the Product Data, Reference Asset Data and Underlying Data][as specified in the Fund Documents][of the Fund]. If the Fund specifies another person, company or institution 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][, in relation to a Fund, a person, company or institution that manages the Fund according to the Fund Documents].]

**"Market Disruption Event"** means each of the following events:

*[In the case of a share or a depository receipt 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; whether this is the case shall be determined 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 an Index as Underlying, the following applies:*

- (a) in general the suspension or restriction of trading on the exchanges or the markets on

which the [securities that form the basis of the Underlying][components of the Underlying] are listed or traded, or on the respective futures exchanges or on the markets on which Derivatives of the Underlying are listed or traded;

- (b) in relation to [individual securities which form the basis of the Underlying][components of the Underlying], the suspension or restriction of trading on the exchanges or on the markets on which such [securities][components] are traded or on the respective futures exchange or the markets on which derivatives of such [securities][components] are traded;
- (c) in relation to individual Derivatives of the Underlying, the suspension or restriction of trading on the futures exchanges or the markets on which such derivatives are traded;
- (d) the suspension of or failure or the non-publication of the calculation of the Underlying as a result of a decision by the Index Sponsor or the Index Calculation Agent;

[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; whether this is the case shall be determined in the reasonable discretion (§ 315 BGB) of the Calculation Agent][to the extent that such Market Disruption Event is material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)]. 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 a fund as 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 (§ 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;
- [(d) 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;]

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 [(with exception of (d) for which the time at which the NAV is usually published should be the relevant point in time)]; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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 an index as Underlying referencing funds, the following applies:*

*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 Fund:*

- (e) in relation to a 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 Fund, the closure, conversion or insolvency of the Fund or other circumstances which make it impossible to determine the NAV, or
- (g) in relation to a 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 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 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 Fund are listed or traded,

to the extent that that event is material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

**"Maturity Date"** means the Maturity Date, as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**["Maximum Additional Amount (k)"]** means the Maximum Additional Amount (k) as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data].

**["Minimum Additional Amount (k)"]** means the Minimum Additional Amount (k) as specified in § 1 of the Product Data, Reference Asset Data 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 Data, Reference Asset Data 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] as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data. If [the][an] Initial Observation Date is not a Calculation Date, the immediately following Day, which is a Calculation Date shall be the [respective] Initial Observation Date.

**"Observation Date (k)"** means the Observation Date (k) as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data. If an Observation Date (k) is not a Calculation Date the immediately following Day, which is a Calculation Date shall be the respective Observation Date (k). The respective Additional Amount Payment Date (k) shall be postponed accordingly. No interest shall become due because of such 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 Data, Reference Asset Data 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 Data, Reference Asset Data 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.]

**["Final Observation Date"]** means the [last] Observation Date (k). 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.]

**["Final Participation Factor"]** means the Final Participation Factor as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

**"Participation Factor"** means the Participation Factor as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**["Performance of the Underlying"** means the performance of the Underlying using the following formula:

[In the case of [Performance][Digital] Cash Collect Bond-linked Equity Securities the following applies:

$(R \text{ (final)} / R \text{ (initial)}) - \text{Final Strike Level}$

**["Performance of the Underlying (k)"** means the Performance of the Underlying (k) using the following formula:

$(R \text{ (k)} - \text{Strike}) / R \text{ (initial)}$

**"Pledge Agreement"** means a pledge agreement entered into between the Issuer and the Trustee without undue delay following the Issue Date and substantially in a form as in Annex 1.

[In the case of fund as Underlying or an index as Underlying referencing a fund, the following applies:

**"Portfolio Manager"** means [the Portfolio Manager [specified in § 2 of the of the Product Data, Reference Asset Data and Underlying Data][of the Fund]. If the Fund or the Management Company specifies another person, company or institution 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][, in relation to a Fund, a person, company or institution appointed according to the Fund Documents as an portfolio manager with respect to the investment activities of the Fund].]

**"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 Data, Reference Asset Data and Underlying Data.]

[In the case of Securities with initial Reference Price observation, the following applies:

**"R (initial)"** means the Reference Price on the Initial Observation Date.]

[In the case of Securities with initial average observation, the following applies:

**"R (initial)"** means the equally weighted average (arithmetic average) of the Reference Prices specified on the Initial Observation Dates.]

[In the case of Securities with [Best] [Worst]-in observation, the following applies:

**"R (initial)"** means the [highest] [lowest] Reference Price on [each of the Initial Observation Dates] [each [Insert relevant day(s)] between the Initial Observation Date (including) and the Last Day of the [Best] [Worst]-in Period (including)].]

[In the case of all Securities with final Reference Price observation, the following applies:

**"R (final)"** means the Reference Price on the Final Observation Date.]

[In the case of all Securities with final average observation, the following applies:

**"R (final)"** means the equally weighted average (arithmetic average) of the Reference Prices on the Final Observation Dates.]

[In the case of all Securities with [Best] [Worst]-out observation, the following applies:

**"R (final)"** means the [highest] [lowest] Reference Price on [each Final Observation Dates] [each [Insert Relevant Day(s)] between the First Day of the [Best] [Worst]-out Period (including) and the Final Observation Date (including)].]

"**R (k)**" means the Reference Price on the relevant Observation Date (k).

"**Ratio**" means  $[(\text{Floor Level} \times \text{Nominal Amount}) / \text{Reference Asset Nominal Amount}]$  [the Ratio as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data].

"**Redemption Amount**" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 3 of the Special Conditions.

"**Reference Asset**" means the obligation specified as Reference Asset in § 2 of the Product Data, Reference Asset Data and Underlying Data.

"**Reference Asset Auction Proceeds**" means per Nominal Amount of the Security the cash amount in the Reference Currency actually received from the Selected Dealer through the procedure of an Auction for the Reference Asset or, as the case may be, the Substitute Asset in respect of the Reference Asset Nominal Amount, such cash amount determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) in accordance with prevailing market practice during the Auction Period. The Reference Asset Auction Proceeds may be equal to zero.

"**Reference Asset Nominal Amount**" means in relation to the Reference Asset the amount specified as Reference Asset Nominal Amount in § 2 of the Product Data, Reference Asset Data and Underlying Data. In relation to the Substitute Asset the Reference Asset Nominal Amount shall be the respective Nominal Amount of such Substitute Asset.

"**Reference Asset Redemption Amount**" means per Nominal Amount of the Security the sum of all amounts of payment or repayment of principal actually received by the Issuer with discharging effect under the laws applicable to the Reference Asset on or prior to the Maturity Date, as applicable, in its capacity as a Reference Holder in respect of the Reference Asset Nominal Amount of the Reference Asset (or Substitute Asset, as applicable) in respect of the redemption of the Reference Asset (or Substitute Asset, as applicable), multiplied with the Ratio. The Reference Asset Redemption Amount is in no case lower than zero.

"**Reference Currency**" means the currency in which the Reference Asset is denominated on the Issue Date specified as Reference Currency in § 2 of the Product Data, Reference Asset Data and Underlying Data.

"**Reference Entity**" means the entity specified as "Reference Entity" in § 2 of the Product Data, Reference Asset Data and Underlying Data and at any time the then current primary obligor of the Reference Asset (which term includes any successor to the original Reference Entity and each entity which is directly or indirectly guaranteeing the payment or repayment of such Reference Asset as of the Issue Date).

"**Reference Holder**" means a holder of the Reference Asset (or Substitute Asset, as applicable) which is domiciled in the jurisdiction of the Issuer of the Securities.

"**Reference Price**" means the Reference Price of the Underlying as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

["**Relevant Exchange**" means the [Relevant Exchange as specified in § 2 of the of the Product Data, Reference Asset Data and Underlying Data][exchange on which the components of the Underlying are most liquidly traded; such exchanges shall be 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 components' liquidity].

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 components] of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Relevant Exchange shall be substituted as the Relevant Exchange by another stock exchange that offers satisfactorily liquid trading in the Underlying (the "**Substitute Exchange**"); such exchange shall be determined by the Calculation Agent in its reasonable

discretion (§ 315 BGB). 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.]

**"Restructuring"** means that, with respect to the Reference Asset any one or more of the following events occurs in a form that (i) binds all holders of the Reference Asset, (ii) is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Reference Asset to bind all holders of the Reference Asset or (iii) is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of the Reference Asset (including, in each case, in respect of bonds only, by way of an exchange), in effect as of the later of the Issue Date and the date as of which the Reference Asset is issued or incurred:

- (a) a reduction in the amount of principal or premium payable at maturity (including by way of redenomination);
- (b) a postponement or other deferral of a date or dates for the payment of principal or premium;
- (c) a change in the ranking in priority of payment of the Reference Asset, causing a subordination of such Reference Asset to any other obligation of the Reference Entity.

**"Risk Event"** means a [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].

**"Risk Event Calculation Date"** means the date on which the Calculation Agent calculates the Acceleration Redemption Amount. The calculation has to be done as soon as reasonably practicable after the earlier of:

- (a) one (1) Banking Day following the date on which the Issuer received the Reference Asset Auction Proceeds; and
- (b) one (1) Banking Day following the last day of the Auction Period.

**"Risk Event Notice"** means an irrevocable notice by the Issuer in accordance with § 6 of the General Conditions that describes a Risk Event which has occurred during the Risk Event Notice Period and specifies the Acceleration Redemption Date. A Risk Event Notice shall contain a description in reasonable detail of the facts relevant to the determination that a Risk Event has occurred. The Risk Event that is the subject of the Risk Event Notice does not need to be continuing on the date the Risk Event Notice becomes effective.

**"Risk Event Notice Period"** means the period from and including 12:01 a.m., Munich time, on the Issue Date to 11:59 p.m., Munich time, on the Maturity Date.

**"Scheduled Reference Asset Maturity Date"** means the date specified as Scheduled Reference Asset Maturity Date in § 2 of the Product Data, Reference Asset Data and Underlying Data.

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

**"Security Trust Agreement"** means the security trust agreement entered into between the Issuer and the Trustee without undue delay following the Issue Date and substantially in a form as attached in Annex 2.

**["Settlement Cycle"** means the [period of Clearance System Business Days following a transaction on the Relevant Exchange [with respect to the Underlying][in the securities that form the basis of the Underlying] during which period settlement will customarily take place according to the rules of such Relevant Exchange][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].]

["**Share Conversion Event**" means each of the following events:

- (a) the quotation of the Underlying at the Relevant Exchange is finally ceased and no Substitute Exchange could be determined; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) the quotation of the Underlying at the Relevant Exchange no longer occurs in the Underlying Currency;
- (c) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging]] occur[s];
- (d) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the of the Product Data, Reference Asset Data and Underlying Data.

["**Strike**" means [the Strike as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data] [Strike Level x R (initial)].]

["**Strike Level**" means the Strike Level as specified as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

"**Substitute Assets**" means securities, rights and/or other assets (whether tangible or otherwise) (in each case, whether of the relevant Reference Entity or of a third party) that a Reference Holder receives or becomes entitled to receive for the Reference Asset in respect of the Reference Asset Nominal Amount due to a Risk Event during the Risk Event Notice Period.

"**Terms and Conditions**" means the terms and conditions of these Securities as set out in the General Conditions (Part A), the Product Data, Reference Asset Data and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means the Underlying as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified in § 2 of the Product Data, Reference Asset Data and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the of the Product Data, Reference Asset Data 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 (k)*:

***[Product Type 5: Cash Collect Bond-linked Equity Securities***

***Product Type 7: Performance Cash Collect Bond-linked Equity Securities***

[If R (k) is greater than the Strike, 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) is calculated according to the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k)

If R (k) is equal to or less than the Strike, no Additional Amount (k) will be paid.]

[On the respective Additional Amount Payment Date (k) the Additional Amount (k) will be paid pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) is calculated according to the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k)

However, the Additional Amount (k) is not less than the Minimum Additional Amount (k).]

***[In the case of Securities with a Maximum Additional Amount (k), the following applies:***

However, the Additional Amount (k) is not greater than the Maximum Additional Amount (k).]

***[Product Type 7: Digital Coupon Bond-linked Equity Securities***

If R (k) is greater than or equal to the Strike, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) (the "**Additional Amount (k)**") pursuant to the provisions of § 6 of the Special Conditions. The respective Additional Amount (k) for each Additional Amount Payment Date (k) is specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

If R (k) is less than the Strike, no Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k).]

**§ 3**

**Redemption**

***[Product Type 5: Cash Collect Bond-linked Equity Securities***

***Product Type 7: Digital Coupon Bond-linked Equity Securities***

*Redemption:* Subject to the occurrence of an Acceleration Event, 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. The Redemption Amount per Nominal Amount of the Security corresponds to the Conditional Minimum Redemption Amount.]

***[Product Type 6: Performance Cash Collect Bond-linked Equity Securities***

- (1) *Redemption:* Subject to the occurrence of an Acceleration Event and subject to the occurrence of a Conversion Event, each Security shall be redeemed on the Maturity Date at an amount equal to the Redemption Amount, subject to and in accordance with § 6 of the Special Conditions.

- (2) *Redemption Amount:* The Redemption Amount per Nominal Amount of the Security shall be an amount in the Specified Currency calculated or specified by the Calculation Agent as follows:

The Redemption Amount equals the sum of (i) the Redemption Amount Component 1 and (ii) the Redemption Amount Component 2.

- (3) *Redemption Amount Component 1:* The "**Redemption Amount Component 1**" per Nominal Amount of the Security shall be equal to the Conditional Minimum Redemption Amount.

- (4) *Redemption Amount Component 2:* The "**Redemption Amount Component 2**" per Nominal Amount of the Security shall be equal to:

Nominal Amount x Final Participation Factor x Performance of the Underlying).

The Redemption Amount Component 2 is no less than zero.]

**Product Type 8: Twin-Win Bond-linked Equity Securities**

**Product Type 9: Win-Win Bond-linked Equity Securities**

**Product Type 10: Icarus Bond-linked Equity Securities**

[In the case of Twin-Win Bond-linked Equity Securities, Win-Win Bond-linked Equity Securities and Icarus Bond-linked Equity Securities the following applies:]

**§ 1**

**Definitions**

"**Acceleration Event**" means the publication of a Risk Event Notice by the Issuer to the Security Holders during the Risk Event Notice Period.

"**Acceleration Redemption Date**" means the date specified in the Risk Event Notice which is no later than thirty (30) Banking Days following the Acceleration Event.

"**Adjustment Event**" means [each of the following events]:

[In the case of a share or a depository receipt as Underlying, the following applies:]

- (a) each measure taken by the company that has issued the Underlying or by a third party, which would – due to a change in the legal and economic position, in particular a change in the company's fixed assets and capital – affect the Underlying not only immaterially (in particular capital increase against cash contribution, issuance of securities with options or conversion rights into shares, capital increase with company funds, distribution of special dividends, share splits, merger, liquidation, nationalisation); whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) an early termination performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying;
- (c) an adjustment performed by the Determining Futures Exchange of the there traded Derivatives of the Underlying, or
- (d) [a Hedging Disruption occurs;
- (e)] any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying; whether this is the case shall be determined by the Calculation Agent in its reasonable (§ 315 BGB).]

[In the case of an index as Underlying, the following applies:]

- (a) changes in the relevant Index Concept or the calculation of the Underlying, that 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) the calculation or publication of the Underlying is finally discontinued, or replaced by another index (the "**Index Replacement Event**");
- (c) due to circumstances for which the Issuer is not responsible, the Issuer is no longer entitled to use the Underlying as a basis for the calculations or, respectively, specifications described in the Terms and Conditions of these Securities; the Issuer shall be deemed not to be responsible for a termination of the license to use the Underlying due to an economically unreasonable increase in license fees (a "**License Termination Event**");
- (d) [a Hedging Disruption occurs;

- (e) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

[In the case of a fund as Underlying other than ETF, the following applies:

- (a) changes are made in one of the Fund Documents 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, (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); whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 or a breach of statutory or regulatory requirements by the Fund or the Management Company; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 comparison with the conditions applying on the First Trade Date; whether this is

the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 is of similarly good standing; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (z) the NAV is no longer published in the Underlying Currency,
- (aa) starting 31 December 2018, the Issuer does not receive with respect to [each Calculation Date][at least for one Calculation Date in each calendar month] a list of the investments held by the Fund and their weighting and, if the Fund invests in other funds, the corresponding positions of the investments held by these funds and their weighting on the [next following][within five] Banking Day[s][(each a "**Fund Replacement Event**")][;][.]

[(bb) a Hedging Disruption occurs] [;][.]

[(bb)][(cc)] [the historic volatility of the Underlying exceeds a volatility level of [Insert]%.][the historic volatility of the Underlying exceeds the historic volatility of the Benchmark on a day that is a Calculation Date and a Benchmark Calculation Date by more than [Insert]%.] The volatility is calculated on a Calculation Date [that is also 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 [that are also Benchmark Calculation Date] in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\left( \sum_{p=1}^P \left[ \ln \left[ \frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}}$$

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);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"ln [x]" denotes the natural logarithm of x.

[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:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{BRP(t-q)}{BRP(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

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 day that is a Calculation Date and a Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"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 ETF as Underlying, the following applies:

- (a) changes are made in one of the Fund Documents 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, (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); whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 or a breach of statutory or regulatory requirements by the Fund or the Management Company; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 comparison with the conditions applying on the First Trade Date; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 is of similarly good standing; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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 officeholder 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);

- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (bb) the NAV is no longer published in the Underlying Currency,
- (cc) starting 31 December 2018, the Issuer does not receive with respect to [each Calculation Date][at least for one Calculation Date in each calendar month] a list of the investments held by the Fund and their weighting and, if the Fund invests in other funds, the corresponding positions of the investments held by these funds and their weighting on the [next following][within five] Banking Day[s];[.]

[(dd) a Hedging Disruption occurs];[.]

[(dd)][(ee)] [the historic volatility of the Underlying exceeds a volatility level of [Insert]%.][the historic volatility of the Underlying exceeds the historic volatility of the Benchmark on a day that is a Calculation Date and a Benchmark Calculation Date by more than [Insert]%.] The volatility is calculated on a Calculation Date [that is also 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 [that are also Benchmark Calculation Date] 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);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date [that is also a Benchmark Calculation Date] using the daily returns of the Underlying for the most recent [Insert number of days] Calculation Dates [that 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 [that are also Benchmark Calculation Dates] in each case. [The respective volatility determined using this method may not exceed a volatility level of [Insert]%.]

[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:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[ \ln \left[ \frac{BRP(t-p)}{BRP(t-p-1)} \right] - \frac{1}{P} \times \left( \sum_{q=1}^P \ln \left[ \frac{BRP(t-q)}{BRP(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

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 day that is a Calculation Date and a Benchmark Calculation Date preceding the relevant Benchmark Calculation Date (t);

"p" and "q" means integer numbers representing each number from and including 1 to and including P;

"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.]]

*[In the case of an Index as Underlying referencing funds, the following applies:*

each Index Adjustment Event and Fund Adjustment Event.]

*[In the case of fund as Underlying or of an index as Underlying referencing funds, the following applies:*

"**Administrator**" means [the Administrator [specified in § 2 of the Product Data, Reference Asset Data and Underlying Data][as specified in the Fund Documents][of the Fund]. 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.]], in relation to a Fund, a person, company or institution appointed according to the Fund Documents for the purpose of providing administrative services to the Fund.]]

"**Affiliate**" has the meaning given to such term in § 5 (1) of the General Conditions.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

"**Aggregate Reference Asset Nominal Amount**" means the actually issued Aggregate Nominal Amount (taking into account any increases following the issuance of additional Securities pursuant to § 7 (1) of the General Conditions and taking into account any decreases following the cancellation of Securities pursuant to § 7 (2) of the General Conditions after the Issue Date) multiplied with the Floor Level.

"**Auction**" means the following procedure:

- (a) At a date selected by the Calculation Agent using reasonable discretion on a Banking Day falling no later than ten (10) Banking Days following the day on which the Acceleration Event has occurred (the "**Valuation Date**"), the Calculation Agent shall attempt to obtain firm bid quotations from at least three Dealers in accordance with prevailing market practice at the applicable time for the Reference Asset or the

Substitute Asset as the case may be (the "**Valuation Asset**") in an amount equal to the Aggregate Reference Asset Nominal Amount (the "**Valuation Nominal Amount**"); provided that if the Calculation Agent has obtained at least two bid quotations, the Calculation Agent shall select the Dealer who has submitted the highest firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount, provided that if two or more Dealers have submitted an identical firm bid quotation, the Calculation Agent shall select one of those Dealers using reasonable discretion. If only one firm bid quotation is obtained, the Calculation Agent shall select the Dealer who has submitted such firm bid quotation in respect of such Valuation Assets with the relevant Valuation Nominal Amount (the Dealer selected pursuant to the foregoing procedure being the "**Selected Dealer**").

- (b) If no quotation has been submitted for the Valuation Nominal Amount, the Calculation Agent shall attempt during the Auction Period to obtain partial bid quotations in accordance to paragraph (a) above for quotation amounts less than the Valuation Nominal Amount ("**Partial Quotation Amounts**"). If different bid quotations have been submitted for Partial Quotation Amounts, the Calculation Agent shall calculate the average value of such quotations ("**Weighted Average Auction Value**"). As for Partial Quotation Amounts for which no quote has been submitted during the Auction Period, the quotation shall be calculated as equal to zero.

"**Auction Period**" means a period of fifteen (15) Banking Days following the Valuation Date.

"**Auction Price**" means the Reference Asset Auction Proceeds divided by the Valuation Nominal Amount.

*[In the case of fund as Underlying, the following applies:*

"**Auditor**" means [the Auditor [specified in § 2 of the Product Data, Reference Asset Data 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 relation to a Fund, a person, company or institution appointed according to the Fund Documents for the purpose of auditing the Fund in connection with the annual report].]

"**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) (the "**TARGET2**") is open for business] [is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre].

["**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]]

["**Bankruptcy of the Reference Entity**" means in relation to the Reference Entity that such entity:

- (a) is dissolved;
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented

against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof;

- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter; or
- (h) causes or is subject to any event with respect to which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g) above (including.)]

[In the case of Twin-Win und Icarus Bond-linked Equity Securities, the following applies:

"**Barrier**" means [the Barrier as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data] [Barrier Level x R (initial)].]

[In the case of Twin-Win and Icarus Bond-linked Equity Securities with continuous Barrier observation, the following applies:

"**Barrier Event**" means that any price of the Underlying as published by the [Relevant Exchange] [Index Sponsor or Index Calculation Agent] with continuous observation during the Barrier Observation Period is equal to [or less] [or greater] than the Barrier.]

[In the case of Twin-Win and Icarus Bond-linked Equity Securities with date-related Barrier observation, the following applies:

"**Barrier Event**" means that any Reference Price on the respective Barrier Observation Date [is less] [is greater] than the Barrier.]

["**Barrier Level**" means the Barrier Level as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

[In the case of Twin-Win and Icarus Bond-linked Equity Securities with continuous Barrier observation, the following applies:

"**Barrier Observation Period**" means each Calculation Date from the First Day of the Barrier Observation Period (including) to the Last Day of the Barrier Observation Period (including).]

[In the case of Icarus Bond-linked Equity Securities, the following applies:

"**Bonus Amount**" means the Bonus Amount as specified in § 1 of the Product Data, Reference Asset Data 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 published by the [Relevant Exchange][Index Sponsor or the Index Calculation Agent, as the case may be].

["**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,

- [(a) 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
- (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)].

The decision as to whether the preconditions exist shall be made by the Issuer in its reasonable discretion (§ 315 BGB).]

**"Clearance System"** means the principal domestic clearance system customarily used for settling trades with respect to the [Underlying] [the securities that form the basis of the Underlying]; such system shall be determined 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 such Clearance System is open for the acceptance and execution of settlement instructions.]

**"Clearing System"** means [Clearstream Banking AG, Frankfurt am Main ("**CBF**") [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**") [Euroclear France SA ("**Euroclear France**") [Insert other Clearing System(s)].

**"Conditional Minimum Redemption Amount"** means the Conditional Minimum Redemption Amount, as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**"Conversion Event"** means [Share Conversion Event][,] [Index Conversion Event][,] [Fund Conversion Event][,] [Change in Law [and/or a Hedging Disruption and/or Increased Cost of Hedging].]

**"Custodian Bank"** means [the Custodian Bank [specified in § 2 of the Product Data, Reference Asset Data 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 [ , in relation to a Fund, a person, company or institution acting as custodian of the Fund's assets according to the Fund Documents].]

**"Dealer"** means each dealer (which may include any Security Holder or its Affiliates or Affiliates of the Issuer) in obligations of the type similar to those of the Reference Asset (or any Substitute Asset (if applicable)) as of the Valuation Date as selected by the Calculation Agent in good faith and in a commercially reasonable manner.

**"Determining Futures Exchange"** means the futures exchange, on which derivatives of the Underlying [or – if derivatives on the Underlying are not traded – its components] (the "**Derivatives**") are mostly liquidly traded; such futures exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).

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 [or to its components] at the Determining Futures Exchange or a considerably restricted number or liquidity, it shall be substituted as the determining futures exchange by another

futures exchange that offers satisfactorily liquid trading in the Derivatives (the "**Substitute Futures Exchange**"); such futures exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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.[]

"**Enforcement Event**" means the Enforcement Event as described in Art. VI of the Master Pledge Agreement (Annex 1 to this Base Prospectus).

*[In the case of ETF as Underlying the following applies:]*

"**Exchange Traded Fund**" a Fund specified as Exchange Traded Fund in § 2 of the Product Data, Reference Asset Data and Underlying Data.]

"**Failure to Pay**" means the failure by the Reference Entity to make any payments under the Reference Asset, when and where due, in accordance with the terms of such Reference Asset at the time of such failure.

["**First Day of the Barrier Observation Period**" means the First Day of the Barrier Observation Period as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

["**First Day of the [Best][Worst]-out Period**" means the First Day of the [Best][Worst]-out Period as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

"**Floor Level**" means the Floor Level, as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

*[In the case of a fund as Underlying or an index as Underlying referencing funds, the following applies:]*

"**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.

*[In the case of an index as Underlying, referencing funds, the following applies:]*

"**Fund Adjustment Event**" means:

- (mm) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion (§ 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 Fund, (ii) the investment objectives or investment strategy or investment restrictions of the 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;
- (nn) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (oo) 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 Fund and where included in the Underlying); whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (pp) 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;

- (qq) (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, 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 as a result of misconduct, a violation of the law or for similar reasons;
- (rr) a breach of the investment objectives or the investment restrictions of the Fund (as defined in the Fund Documents) or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (ss) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (tt) 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 Fund;
- (uu) the Issuer or the Hedging Party is required to consolidate the Fund as a result of accounting or other regulations;
- (vv) 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;
- (ww) 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 of the Fund; whether the conditions are fulfilled shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (xx) 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 (§ 315 BGB) of the Calculation Agent;
- (yy) 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;
- (zz) the 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 Fund in a significant respect or terminates that agreement;

- (aaa) the 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 Fund's investment guidelines or restrictions in a timely manner;
- (bbb) the 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;
- (ccc) any other event that could have a noticeable adverse effect on the net asset value of the Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;
- (ddd) starting 31 December 2018 the Issuer does not receive with respect to [each Calculation Date][at least for one Calculation Date in each calendar month] a list of the investments held by the Fund and their weighting and, if the Fund invests in other funds, the corresponding positions of the investments held by these funds and their weighting on the [next following][within five] Banking Day[s] (each a "**Fund Replacement Event**")[:][.]
- (eee) a Hedging Disruption occurs.]

[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 a fund as Underlying, the following applies:*

**"Fund Conversion Event"** means any of the following events:

- (a) no Replacement Underlying is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- [(b)]no Replacement Management Company is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);[
- [(c)] a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging]] occur[s];
- [(d)] 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)].]

*[In the case of an index as Underlying referencing funds, the following applies:*

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.]

*[In the case of a fund as Underlying or an index as Underlying referencing funds, the following applies:*

**"Fund Documents"** means, in relation to [the Fund][a 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 [Reference]Fund in which the terms and conditions of the [Reference]Fund and of the Fund Shares are specified.]

*[In the case of a fund as Underlying, the following applies:*

**"Fund Management"** means the persons responsible for the portfolio and/or risk management of the Fund.]

[In the case of a fund as Underlying or an index as Underlying, referencing funds, the following applies:

**"Fund Services Provider"** means, if available, [in relation to a Fund] the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor [of the Fund].

**"Fund Share"** means [a unit or share of the Fund and of the class set out in § 1 of the Product Data, Reference Asset Data and Underlying Data][an Index Component which is a share in a Fund].]

**"Governmental Authority"** means:

- (a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental, inter-governmental or supranational body;
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to any of the entities specified in sections (a) to (c).

**["Governmental Intervention"** means that, with respect to the Reference Asset, any one or more of the following events occurs as a result of action taken or an announcement made by any authority (including, without limitation, Governmental Authorities) pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the Reference Asset:

- (a) any event which would affect creditors' rights so as to cause:
  - (i) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (ii) a postponement or other deferral of a date or dates for the payment of principal or premium; or
  - (iii) a change in the ranking in priority of payment of the Reference Asset, causing the subordination of such Reference Asset to any other Reference Asset;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Reference Asset;
- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in (a) to (c).]

**["Hedging Disruption"** means that the Issuer is not able to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets (respectively) which 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,

under conditions which are economically substantially equivalent to those on the First Trade Date; whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB).]

**["Increased Costs of Hedging"** means that the Issuer has to pay a substantially higher amount of taxes, duties, expenditures 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 (respectively) which 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,

whether this is the case shall be determined by the Issuer in its reasonable discretion (§ 315 BGB). Cost increases due to a deterioration of the credit-worthiness of the Issuer are not considered as Increased Costs of Hedging.]

*[In the case of an index as Underlying referencing funds, the following applies:*

**"Index Adjustment Event"** means any of the following events:

- (a) changes in the relevant Index Concept or the calculation of the Underlying that 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)
- (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 Data, Reference Asset Data 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) no suitable Replacement Underlying is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging]] occur[s];
- (c) the Underlying is no longer calculated or published in the Underlying Currency[;
- (d) no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (e) an adjustment pursuant to § 8 (2) or (3) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)].]

**"Index Sponsor"** means the Index Sponsor as specified in § 2 of the Product Data, Reference Asset Data and Underlying Data.]

**["Investment Adviser"** means [the Investment Adviser [specified in § 2 of the Product Data, Reference Asset Data 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 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][, in relation to a Fund, a person, company or institution appointed according to the Fund Documents as an adviser with respect to the investment activities of the Fund].]

**"Issue Date"** means the Issue Date as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**["Issuing Agent"** means the Issuing Agent as specified in § 1 of the of the Product Data, Reference Asset Data and Underlying Data.]

**["Last Day of the Barrier Observation Period"** means the Last Day of the Barrier Observation Period as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.]

**["Last Day of the [Best][Worst]-in Period"** means the Last Day of the [Best][Worst]-in Period as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data]

*[In the case of a fund as Underlying or an index as Underlying referencing a funs, the following applies:*

**["Management Company"** means [the Management Company [specified in § 2 of the Product Data, Reference Asset Data and Underlying Data][as specified in the Fund Documents][of the Fund]. If the Fund specifies another person, company or institution 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][, in relation to a Fund, a person, company or institution that manages the Fund according to the Fund Documents].]

**"Market Disruption Event"** means each of the following events:

*[In the case of a share or a depository receipt 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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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 an index as Underlying, the following applies:*

- (a) in general the suspension or restriction of trading on the exchanges or the markets on which the [securities that form the basis of the Underlying][components of the Underlying] are listed or traded, or on the respective futures exchanges or on the markets on which Derivatives of the Underlying are listed or traded;
- (b) in relation to [individual securities which form the basis of the Underlying][components of the Underlying], the suspension or restriction of trading on the exchanges or on the markets on which such [securities][components] are traded

or on the respective futures exchange or the markets on which derivatives of such [securities][components] are traded;

- (c) in relation to individual Derivatives of the Underlying, the suspension or restriction of trading on the futures exchanges or the markets on which such derivatives are traded;
- (d) the suspension of or failure or the non-publication of the calculation of the Underlying as a result of a decision by the Index Sponsor or the Index Calculation Agent;

[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; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)][to the extent that such Market Disruption Event is material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)]. 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 a fund as 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 (§ 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;
- [(d) 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;]

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 [(with exception of (d) for which the time at which the NAV is usually published should be the relevant point in time)]; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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 an index as Underlying referencing funds, the following applies:*

*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 Fund:*

- (e) in relation to a 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 Fund, the closure, conversion or insolvency of the Fund or other circumstances which make it impossible to determine the NAV, or
- (g) in relation to a 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 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 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 Fund are listed or traded,

to the extent that that event is material; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

**"Maturity Date"** means the Maturity Date as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

*[In the case of Twin-Win Cap and Win-Win Cap Bond-linked Equity Securities, the following applies:*

**"Maximum Additional Redemption Amount"** means the Maximum Additional Redemption Amount as specified in § 1 of the Product Data, Reference Asset Data 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 Data, Reference Asset Data 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] as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data. If [the][an] Initial Observation Date is not a Calculation Date the immediately following Day, which is a Calculation Date shall be the [respective] Initial Observation Date.

[In the case of Twin-Win and Icarus Bond-linked Equity Securities with date-related Barrier observation, the following applies:

"**Barrier Observation Date**" means each of the Barrier Observation Dates as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data. If a Barrier Observation Date is not a Calculation Date, the immediately following Day, which is a Calculation Date shall be the respective Barrier Observation Date.]

"**Final Observation Date**" means [the Final Observation Date] [each of the Final Observation Dates] as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data. If [the][a] Final Observation Date is not a Calculation Date, the immediately following Day which is a Calculation Date shall be the [respective] Final Observation Date. [The Maturity Date shall be postponed accordingly.] [If the last Final Observation Date is not a Calculation Date, the Maturity Date shall be postponed accordingly.] No interest shall become due because of such postponement.

"**Participation Factor**" means the Participation Factor as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

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

"**Pledge Agreement**" means a pledge agreement entered into between the Issuer and the Trustee without undue delay following the Issue Date and substantially in a form as in Annex 1 to this Base Prospectus.

[In the case of fund as Underlying or an index as Underlying referencing a fund, the following applies:

"**Portfolio Manager**" means [the Portfolio Manager [specified in § 2 of the Product Data, Reference Asset Data 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 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][, in relation to a Fund, a person, company or institution appointed according to the Fund Documents as an portfolio manager with respect to the investment activities of the Fund].]

"**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 Data, Reference Asset Data and Underlying Data.]

[In the case of Securities with initial Reference Price observation, the following applies:]

"**R (initial)**" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with initial average observation, the following applies:]

"**R (initial)**" means the equally weighted average (arithmetic average) of the Reference Prices specified on the Initial Observation Dates.]

[In the case of Securities with [Best] [Worst]-in observation, the following applies:]

"**R (initial)**" means the [highest] [lowest] Reference Price on [each of the Initial Observation Dates] [each [*Insert relevant day(s)*] between the Initial Observation Date (including) and the Last Day of the [Best] [Worst]-in Period (including)].]

[In the case of Securities with final Reference Price observation, the following applies:]

"**R (final)**" means the Reference Price on the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:]

"**R (final)**" means the equally weighted average (arithmetic average) of the Reference Prices on the Final Observation Dates.]

[In the case of Securities with [Best] [Worst]-out observation, the following applies:]

"**R (final)**" means the [highest] [lowest] Reference Price on [each Final Observation Dates] [each [*Insert Relevant Day(s)*] between the First Day of the [Best] [Worst]-out Period (including) and the Final Observation Date (including)].]

"**Ratio**" means [(Floor Level x Nominal Amount) / Reference Asset Nominal Amount] [the Ratio as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data].

"**Redemption Amount**" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 3 of the Special Conditions.

"**Reference Asset**" means the obligation specified as Reference Asset in § 2 of the Product Data, Reference Asset Data and Underlying Data.

"**Reference Asset Auction Proceeds**" means per Nominal Amount of the Security the cash amount in the Reference Currency actually received from the Selected Dealer through the procedure of an Auction for the Reference Asset or, as the case may be, the Substitute Asset in respect of the Reference Asset Nominal Amount, such cash amount determined by the Calculation Agent in its reasonable discretion (§ 315 BGB) in accordance with prevailing market practice during the Auction Period. The Reference Asset Auction Proceeds may be equal to zero.

"**Reference Asset Nominal Amount**" means in relation to the Reference Asset the amount specified as "Reference Asset Nominal Amount" in § 2 of the Product Data, Reference Asset Data and Underlying Data. In relation to the Substitute Asset the Reference Asset Nominal Amount shall be the respective Nominal Amount of such Substitute Asset.

"**Reference Asset Redemption Amount**" means per Nominal Amount of the Security the sum of all amounts of payment or repayment of principal actually received by the Issuer with discharging effect under the laws applicable to the Reference Asset on or prior to the Maturity Date, as applicable, in its capacity as a Reference Holder in respect of the Reference Asset Nominal Amount of the Reference Asset (or Substitute Asset, as applicable) in respect of the redemption of the Reference Asset (or Substitute Asset, as applicable), multiplied with the Ratio. The Reference Asset Redemption Amount is in no case lower than zero.

"**Reference Currency**" means the currency in which the Reference Asset is denominated on the Issue Date specified as Reference Currency in § 2 of the Product Data, Reference Asset Data and Underlying Data.

**"Reference Entity"** means the entity specified as Reference Entity in § 2 of the Product Data, Reference Asset Data and Underlying Data and at any time the then current primary obligor of the Reference Asset (which term includes any successor to the original Reference Entity and each entity which is directly or indirectly guaranteeing the payment or repayment of such Reference Asset as of the Issue Date).

**"Reference Holder"** means a holder of the Reference Asset (or Substitute Asset, as applicable) which is domiciled in the jurisdiction of the Issuer of the Securities.

**"Reference Price"** means the Reference Price of the Underlying as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**["Relevant Exchange"** means the [Relevant Exchange as specified in § 2 of the Product Data, Reference Asset Data and Underlying Data][exchange on which the components of the Underlying are most liquidly traded; such exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB)].

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 components] of the Underlying at the Relevant Exchange and the quotation at a different stock exchange or a considerably restricted number or liquidity, the Relevant Exchange shall be substituted as the Relevant Exchange by another exchange that offers satisfactorily liquid trading in the Underlying (the "**Substitute Exchange**"); such exchange shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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.]

**"Restructuring"** means that, with respect to the Reference Asset any one or more of the following events occurs in a form that (i) binds all holders of the Reference Asset, (ii) is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of the Reference Asset to bind all holders of the Reference Asset or (iii) is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of the Reference Asset (including, in each case, in respect of bonds only, by way of an exchange), in effect as of the later of the Issue Date and the date as of which the Reference Asset is issued or incurred:

- (a) a reduction in the amount of principal or premium payable at maturity (including by way of redenomination);
- (b) a postponement or other deferral of a date or dates for the payment of principal or premium;
- (c) a change in the ranking in priority of payment of the Reference Asset, causing a subordination of such Reference Asset to any other obligation of the Reference Entity.

**"Risk Event"** means a [Bankruptcy of the Reference Entity,] a Failure to Pay[, a Restructuring] [or a Governmental Intervention].

**"Risk Event Calculation Date"** means the date on which the Calculation Agent calculates the Acceleration Redemption Amount. The calculation has to be done as soon as reasonably practicable after the earlier of:

- (a) one (1) Banking Day following the date on which the Issuer received the Reference Asset Auction Proceeds; and
- (b) one (1) Banking Day following the last day of the Auction Period.

**"Risk Event Notice"** means an irrevocable notice by the Issuer in accordance with § 6 of the General Conditions that describes a Risk Event which has occurred during the Risk Event Notice Period and specifies the Acceleration Redemption Date. A Risk Event Notice shall contain a description in reasonable detail of the facts relevant to the determination that a Risk Event has occurred. The Risk Event that is the subject of the Risk Event Notice does not need

to be continuing on the date the Risk Event Notice becomes effective.

**"Risk Event Notice Period"** means the period from and including 12:01 a.m., Munich time, on the Issue Date to 11:59 p.m., Munich time, on the Maturity Date.

**"Scheduled Reference Asset Maturity Date"** means the date specified as Scheduled Reference Asset Maturity Date in § 2 of the Product Data, Reference Asset Data and Underlying Data.

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

**"Security Trust Agreement"** means the security trust agreement entered into between the Issuer and the Trustee without undue delay following the Issue Date and substantially in a form as attached in Annex 2 to this Base Prospectus.

**"Settlement Cycle"** means the period of Clearance System Business Days following a transaction on the Relevant Exchange [with respect to the Underlying][in the securities that form the basis of the Underlying] during which period settlement will customarily take place according to the rules of such Relevant Exchange.]

**"Share Conversion Event"** means each of the following events:

- (a) the quotation of the Underlying at the Relevant Exchange is finally ceased and no Substitute Exchange could be determined; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB);
- (b) the quotation of the Underlying at the Relevant Exchange no longer occurs in the Underlying Currency;
- (c) a Change in Law [and/or a Hedging Disruption] [and/or Increased Costs of Hedging] occur[s];
- (d) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not reasonable with regard to the Issuer and/or the Security Holders; whether this is the case shall be determined by the Calculation Agent in its reasonable discretion (§ 315 BGB).]

**"Specified Currency"** means the Specified Currency as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**"Substitute Assets"** means securities, rights and/or other assets (whether tangible or otherwise) (in each case, whether of the relevant Reference Entity or of a third party) that a Reference Holder receives or becomes entitled to receive for the Reference Asset in respect of the Reference Asset Nominal Amount due to a Risk Event during the Risk Event Notice Period.

**"Terms and Conditions"** means the terms and conditions of these Securities as set out in the General Conditions (Part A), the Product Data, Reference Asset Data and Underlying Data (Part B) and the Special Conditions (Part C).

**"Underlying"** means the Underlying as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**"Underlying Currency"** means the Underlying Currency as specified in § 2 of the Product Data, Reference Asset Data and Underlying Data.

**"Website[s] for Notices"** means the Website(s) for Notices as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

**"Website[s] of the Issuer"** means the Website(s) of the Issuer as specified in § 1 of the Product Data, Reference Asset Data and Underlying Data.

## § 2

### Interest

*Interest:* The Securities do not bear interest.

## § 3

### Redemption

- (1) *Redemption:* Subject to the occurrence of an Acceleration Event and subject to the occurrence of a Conversion Event, each Security shall be redeemed on the Maturity Date at an amount equal to the Redemption Amount, subject to and in accordance with § 6 of the Special Conditions.
- (2) *Redemption Amount:* The Redemption Amount per Nominal Amount of the Security shall be an amount in the Specified Currency calculated or specified by the Calculation Agent as follows:  
  
The Redemption Amount equals the sum of (i) the Redemption Amount Component 1 and (ii) the Redemption Amount Component 2.
- (3) *Redemption Amount Component 1:* The "**Redemption Amount Component 1**" per Nominal Amount of the Security shall be equal to the Conditional Minimum Redemption Amount.
- (4) *Redemption Amount Component 2:* The "**Redemption Amount Component 2**" per Nominal Amount of the Security shall be calculated as follows:

#### ***[Product Type 9: Twin-Win Bond-linked Equity Securities]***

If no Barrier Event has occurred, the Redemption Amount Component 2 is determined according to the following formula:

Redemption Amount Component 2 = Nominal Amount x (Participation Factor x abs(Performance of the Underlying - 1))

If a Barrier Event has occurred, the Redemption Amount Component 2 shall be equal to zero.

[However, the Redemption Amount Component 2 will in no case be greater than the Maximum Additional Redemption Amount.]

#### ***[Product Type 10: Win-Win Bond-linked Equity Securities]***

Redemption Amount Component 2 = Nominal Amount x (Participation Factor x abs(Performance of the Underlying - 1))

[However, the Redemption Amount Component 2 is not greater than the Maximum Additional Redemption Amount.]

#### ***[Product Type 11: Icarus Bond-linked Equity Securities]***

If no Barrier Event has occurred, the Redemption Amount Component 2 is determined according to the following formula:

Redemption Amount Component 2 = Nominal Amount x (Participation Factor x (Performance of the Underlying - 1))

If a Barrier Event has occurred, the Redemption Amount Component 2 is equal to the Bonus Amount.]

[Special Conditions that apply to all Bond-linked Equity Securities:

§ 4

**Issuer's Early Redemption Right**

- (1) *Issuer's Early Redemption Right:* Upon the occurrence of an Acceleration Event, the Issuer will be fully released from its obligation to redeem the Securities on the Maturity Date at the Redemption Amount in accordance with § 3 of the Special Conditions and shall redeem the Securities on the Acceleration Redemption Date at an amount equal to the Acceleration Redemption Amount in accordance with this § 4.
- (2) *Acceleration Redemption Amount:* The "**Acceleration Redemption Amount**" per Nominal Amount of the Security shall be an amount in the Specified Currency calculated or specified by the Calculation Agent on the Risk Event Calculation Date as follows:

The Acceleration Redemption Amount equals the sum of (i) the Acceleration Redemption Amount Component 1 and (ii) the Acceleration Redemption Amount Component 2.
- (3) *Acceleration Redemption Amount Component 1:* The "**Acceleration Redemption Amount Component 1**" per Nominal Amount of the Security shall be equal to the sum of
  - (a) (Auction Price x Reference Asset Nominal Amount) / Ratio; and
  - (b) the Reference Asset Redemption Amount, if any.

The Acceleration Redemption Amount Component 1 is in no case lower than zero.
- (4) *Acceleration Redemption Amount Component 2:* The "**Acceleration Redemption Amount Component 2**" corresponds to the market value [of the Redemption Amount Component 2] [and] [of the sum of all Additional Amounts (k) that would have become due after the occurrence of the Acceleration Event] per Nominal Amount of the Security determined by the Calculation Agent.

If a Conversion Event occurred on or prior to the Acceleration Redemption Date, the Acceleration Redemption Amount Component 2 corresponds to the present value of the Settlement Amount Component 2 per Nominal Amount discounted at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining terms as the Securities; it will be determined by the Calculation Agent using reasonable discretion (§ 315 BGB).

The relevant value shall be determined by the Calculation Agent using reasonable discretion (§ 315 BGB) within ten (10) Banking Days following the occurrence of an Acceleration Event.

The Acceleration Redemption Amount Component 2 is in no case lower than zero.
- (5) The payment with regard to the Acceleration Redemption Amount is subject to the provisions set forth in § 6 of the Special Conditions.

§ 5

**Issuer's Extraordinary Conversion Right**

- (1) *Conversion:* Upon the occurrence of a Conversion Event, the Securities shall be redeemed on the Maturity Date at an amount equal to the Settlement Amount. If an Acceleration Event occurs, the Settlement Amount shall be substituted by the Acceleration Redemption Amount pursuant to § 4 of the Special Conditions.

- (2) *Settlement Amount:* The "**Settlement Amount**" per Nominal Amount of the Security shall be an amount in the Specified Currency calculated or specified by the Calculation Agent as follows:
- The Settlement Amount equals the sum of the Settlement Amount Component 1 and the Settlement Amount Component 2.
- The Issuer shall notify the Security Holders in accordance with § 6 of the General Conditions of the occurrence of a Conversion Event.
- (3) *Settlement Amount Component 1:* The "**Settlement Amount Component 1**" corresponds to the [Redemption Amount Component 1] [Redemption Amount] as specified in § 3 (3) of the Special Conditions.
- (4) *Settlement Amount Component 2:* The "**Settlement Amount Component 2**" per Nominal Amount corresponds to [the market value of the Redemption Amount Component 2 per Nominal Amount (plus accrued interest thereon for the period until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining terms as the Securities)] [and] [the market value of the sum of all Additional Amounts (k) that would have become due after the occurrence of the Conversion Event (plus respective accrued interest thereon for the period from the respective Observation Date (k) until the Maturity Date at the market rate of interest being traded at such time for liabilities of the Issuer with the same remaining terms as the Securities)]. Such market value is determined by the Calculation Agent using reasonable discretion (§ 315 BGB) within ten (10) Banking Days following the occurrence of the Conversion Event. The Settlement Amount Component 2 is in no case lower than zero.]
- (5) The payment with regard to the Settlement Amount is subject to the provisions set forth in § 6 of the Special Conditions.

## § 5a

### Enforcement Event

Upon the occurrence of an Enforcement Event (as defined in the Pledge Agreement) the Reference Asset shall be enforced by the Trustee for the benefit of the Security Holders. The proceeds realized from the enforcement of the Reference Asset will be distributed to the Security Holders on a pro rata basis. Each Security Holder is allowed to notify the Trustee of the occurrence of an Enforcement Event.

## § 6

### Payments

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest 0.01 Euro, with 0.005 Euro being rounded upwards.
- (2) *Banking 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 are not 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 for credit to the respective accounts of the depository banks for transfer to the Security Holders by no later than the relevant Payment Date. 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, the amount due shall bear interest on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date of that payment (including) and ends on the effective date of payment (including).

## § 7

### Market Disruptions

- (1) *Postponement:* Notwithstanding the provision of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date[(k)], the respective Observation Date shall 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. Interest shall not be payable due to such postponement.

- (2) *Discretionary valuation:* If a Market Disruption Event occurs and is continuing 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 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 following Banking Day] Banking Day, taking into account the economic position of the Security Holders.

[If within these [Insert number of Banking Days] Banking Days period traded Derivatives of the Underlying expire and are settled on the Determining Futures Exchange, the settlement price established by the Determining Futures Exchange for these traded Derivatives will be taken into account in order to conduct the calculations or, respectively, specifications described in these Terms and Conditions. In that case, the expiration date for those Derivatives is the respective Observation Date.]

[In the case of a share or a depository receipt as Underlying, the following applies:

## § 8

### Adjustments, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Terms and Conditions of these Securities (in particular the Underlying, the ratio and/or all prices of the Underlying, which have been specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions of these Securities shall be adjusted in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible; such adjustments shall be made by the Calculation Agent in its reasonable discretion (§ 315 BGB). Any such adjustment will be performed taking into consideration any adjustments made by the Determining Futures Exchange to the there traded Derivatives linked to the Underlying, and the remaining term of the Securities as well as the latest available price of the Underlying. If pursuant to the rules of the Determining Futures Exchange, no adjustments were made to the Derivatives linked to the Underlying, the Terms and Conditions of these Securities shall regularly remain unchanged. The exercised adjustments and the date of the first application shall be notified pursuant to § 6 of the General Conditions.
- (2) *Replacement Specification:* If a price of the Underlying published by the Relevant Exchange pursuant to the Terms and Conditions of these Securities will subsequently be corrected and the correction (the "**Corrected Value**") will be published by the Relevant Exchange after the original publication, but still within one Settlement Cycle, then the Calculation Agent will

notify the Issuer of the Corrected Value without undue delay and shall again specify and publish the respective value by using the Corrected Value (the "**Replacement Specification**") pursuant to § 6 of the General Conditions.]

[(3) The application of §§ 313, 314 BGB remains reserved.]

[In the case of an index as Underlying, the following applies:

## § 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, respectively, specifications of the Calculation Agent described in the Terms and Conditions of these Securities shall be the Underlying with its provisions currently applicable, 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 below provisions.
- (2) *Adjustments:* Upon the occurrence of an Adjustment Event the Terms and Conditions of these Securities (in particular the Underlying, the ratio and/or all prices of the Underlying, which have been specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions of these Securities shall be adjusted in such a way that the economic position of the Security Holders remains unchanged to the greatest extent possible; such adjustments shall be made by the Calculation Agent in its reasonable discretion (§ 315 BGB). Any such adjustment will be performed taking into consideration any adjustments made by the Determining Futures Exchange to the there traded Derivatives linked to the Underlying, and the remaining term of the Securities as well as the latest available price of the Underlying. If pursuant to the rules of the Determining Futures Exchange, no adjustments were made to the Derivatives linked to the Underlying, the Terms and Conditions of these Securities regularly remain unchanged. The exercised adjustments and the date of the first application shall be notified according to § 6 of the General Conditions.
- (3) *Replacement Underlying:* In cases of an Index Replacement Event or a License Termination Event, the adjustment pursuant to paragraph (2) shall be made by the Calculation Agent in its reasonable discretion (§ 315 BGB) determining, which index should be used in the future as Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent shall make further adjustments to the Terms and Conditions of these Securities (in particular to the Underlying, the ratio and/or all prices of the Underlying, which have been specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to the Terms and Conditions of these Securities in such a way that the economic 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 its first application will be published in accordance with § 6 of the General Conditions. From the first application of the Replacement Underlying on, any reference to the replaced Underlying in the Terms and Conditions of these Securities shall be deemed to refer to the Replacement Underlying.
- (4) *New Index Sponsor and New Index Calculation Agent:* If the Underlying is no longer determined by the Index Sponsor but rather by another person, company or institution (the "**New Index Sponsor**"), then all calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall occur on the basis of the Underlying as determined by the New Index Sponsor. In this case, any reference to the replaced Index Sponsor in the Terms and Conditions of these Securities shall be deemed to refer to the New Index Sponsor. If the Underlying is no longer calculated by the Index Calculation Agent but

rather by another person, company or institution (the "**New Index Calculation Agent**"), then all calculations or, respectively, specifications described in the Terms and Conditions of these Securities shall occur on the basis of the Underlying as calculated by the New Index Calculation Agent. In this case, any reference to the replaced Index Calculation Agent in the Terms and Conditions of these Securities shall be deemed to refer to the New Index Calculation Agent.

- (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 the Terms and Conditions of these Securities will subsequently be corrected and the correction (the "**Corrected Value**") will be published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication, but still within one Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall again specify and publish pursuant to § 6 of the General Conditions the relevant value by using the Corrected Value (the "**Replacement Specification**").]
- [(6) The application of §§ 313, 314 BGB remains reserved.]

[In the case of a fund as Underlying, the following applies:

### § 8

#### **Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification**

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event 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 shall be adjusted in a way that the economic position of the Security Holders remains unchanged to the greatest extent possible; such adjustments shall be made by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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 (§ 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 economic 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 application of §§ 313, 314 BGB remains reserved.]]

[In the case of an index as Underlying referencing funds, the following applies:

## § 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 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 shall be adjusted in a way that the economic position of the Security Holders remains unchanged to the greatest extent possible; such adjustments shall be made by the Calculation Agent in its reasonable discretion (§ 315 BGB). 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 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 (§ 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 economic 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.]

[The application of §§ 313, 314 BGB remains reserved.]]

**ANNEX 1 – TRUST AGREEMENT**

The Trust Agreement will be substantially in the form as follows:

**Dated [●]**

**UNICREDIT BANK AG**

as Issuer

and

**[●]**

as Trustee

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**SECURITY TRUST AGREEMENT**

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# 1 CONTENTS

1. Definitions and Interpretation
  2. Appointment of the Trustee
  3. Trust Agreement
  4. Parallel Debt
  5. Obligation of the Issuer to Create the Issuer Security
  6. Warranties and Further Obligations of the Issuer
  7. Security Purpose Agreement
  8. Due Care
  9. Vicarious Agents
  10. Limitation of Liability
  11. Management of the Issuer Security and Authorisation
  12. Realisation of the Issuer Security and Trust Account
  13. Distribution of the Proceeds
  14. Rights and Powers of the Trustee
  15. Release of the Issuer Security
  16. Fees, Costs and Expenses
  17. Termination and Change of the Trustee
  18. Notices
  19. General Terms and Conditions of Business
  20. Amendments
  21. Confidentiality
  22. Severability
  23. Waiver and Compatible Rights
  24. Governing Law, Place of Performance and Jurisdiction
  25. Counterparts
  26. Conclusion of this Agreement (*Vertragsschluss*)
- Schedule 1 Warranties and Further Obligations of the Issuer
- Part I Warranties
- Part II Further Obligations

**THIS SECURITY TRUST AGREEMENT** (the "**Agreement**") is entered into on

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**BETWEEN**

- (1) **UNICREDIT BANK AG**, a stock corporation (*Aktiengesellschaft*) incorporated under the laws of the Federal Republic of Germany, having its business address at UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany, which is registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under HRB 421 48 (the "**Issuer**"); and
- (2) [●], having its business address at [●], [●], [●] (the "**Trustee**"),
- (each a "**Party**" and together the "**Parties**").

**RECITALS**

- (1) The Issuer intends to issue notes in accordance with the Terms and Conditions (as defined below) (the "**Notes**") which are linked to a reference bond issued by XX. and purchased by the Issuer (ISIN: XX and XX, the "**Reference Asset**").
- (2) In order to secure the Secured Claims (as defined below), the Issuer intends to grant security in respect of the Reference Asset by way of a separate Pledge Agreement (as defined below) to the Trustee to be held on trust (*treuhänderisch*) by the Trustee for the Beneficiaries (as defined below) in accordance with the provisions of this Agreement.

**Accordingly, the following is AGREED:**

**1. DEFINITIONS AND INTERPRETATION**

1.1 Definitions

Capitalised terms used in this Agreement (including the Recitals hereto) and not defined within this Agreement have the meaning ascribed to them in the Terms and Conditions (as defined below) unless the context otherwise requires.

1.2 In this Agreement:

"**Authorisation**" has the meaning given to such term in Clause 11.3 of this Agreement.

"**Beneficiaries**" means the Security Holders and the Trustee.

"**Code**" shall mean the US Internal Revenue Code of 1986.

"**Data Protection Standards**" means the German Data Protection Act (*Bundesdatenschutzgesetz*) as well as all other applicable statutory rules and regulations under German law (including, for the avoidance of doubt, the rules and principles of German banking secrecy (*Bankgeheimnis*) applicable from time to time), in each case as amended, restated, replaced or supplemented from time to time.

"**Dispute**" has the meaning given to such term in Clause 24.3 of this Agreement.

"**Distribution of Proceeds**" has the meaning given to such term in Clause 13.1 of this Agreement.

"**Enforcement Event**" has the meaning given to such term in the Pledge Agreement.

"**Enforcement Notice**" has the meaning given to such term in Clause 12.1 of this Agreement.

"**FATCA Withholding Tax**" shall mean any withholding or deduction pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

"**Issuer Security**" means the security created under and pursuant to the Pledge Agreement.

"**Parallel Debt Claim**" means the claim constituted by the undertaking in Clause 4 (*Parallel Debt*) of the Trustee against the Issuer pursuant to which the Issuer is liable to pay to the Trustee an amount which will at all times be equal to the aggregate amount of all current and future claims of the Beneficiaries against the Issuer in connection with the Transaction Documents as amended from time to time, including, without limitation,

- (a) all claims for the payment of a remuneration, irrespective of whether they are determined in the Transaction Documents or in any remuneration agreement related to the latter,
- (b) claims arising after the opening of insolvency proceedings,
- (c) all claims arising due to the ineffectiveness or the unenforceability of any Transaction Document, in particular, claims arising due to unjust enrichment (*ungerechtfertigte Bereicherung*) or tort (*Delikt*), and
- (d) all fees irrespective of whether such fees are agreed or determined in the Transaction Documents.

"**Pledge Agreement**" means the pledge agreement entered into between the Issuer as pledgor and the Trustee as pledgee dated on or about the date of this Agreement, as amended from time to time.

"**Secured Claims**" means the Parallel Debt Claim and all current and future claims of the Beneficiaries against the Issuer in connection with the Transaction Documents as amended from time to time, including, without limitation,

- (a) all claims for the payment of a remuneration, irrespective of whether they are determined in the Transaction Documents or in any remuneration agreement related to the latter,
- (b) claims arising after the opening of insolvency proceedings,
- (c) all claims arising due to the ineffectiveness or the unenforceability of any Transaction Document, in particular, claims arising due to unjust enrichment (*ungerechtfertigte Bereicherung*) or tort (*Delikt*), and
- (d) all fees irrespective of whether such fees are agreed or determined in the Transaction Documents.

"**Securities Account**" means the account with the account number [●] with the code [●].

"**Security Holder**" means each holder of the Notes.

"**Terms and Conditions**" means the terms and conditions in respect of the Notes.

"**Transaction Documents**" means the Pledge Agreement, the Terms and Conditions and this Agreement.

"**Trustee Fee Letter**" has the meaning given to such term in Clause 16.1.

### 1.3 Interpretation

1.3.1 Any reference to persons shall include the relevant successors and assignees.

1.3.2 References to terms in the singular shall be regarded to include reference to the relevant term in the plural and *vice versa*, unless the context requires otherwise.

1.3.3 Any reference to statutory provisions shall be regarded to include all amendments, revisions and/or supplements to the relevant provision and all subordinate legislation and administrative instructions and other regulations which were adopted under or in connection with the provision or any such revision.

1.3.4 Any reference to other contracts or agreements is a reference to such contracts or agreements as amended from time to time.

1.3.5 The schedules constitute a part of this Agreement.

1.3.6 The headings contained in this Agreement shall not affect its construction.

## 2. APPOINTMENT OF THE TRUSTEE

2.1 The Issuer appoints the Trustee as trustee in accordance with the provisions of this Agreement.

2.2. The Trustee accepts the appointment.

## 3. TRUST AGREEMENT

3.1 The Trustee accepts and holds the Issuer Security on trust as trust property (*Treuhand*) for the benefit of the Beneficiaries in accordance with the provisions of this Agreement.

3.2 Vis-à-vis Beneficiaries who are not a Party to this Agreement, this Agreement shall operate as a contract in favour of third parties (*echter Vertrag zugunsten Dritter*) in accordance with Section 328 German Civil Code (*Bürgerliches Gesetzbuch*). Each such Beneficiary shall be entitled to require the Trustee to fulfil its obligations set out in this Agreement. The Trustee may raise any objection *vis-à-vis* such Beneficiaries it is entitled to raise pursuant to this Agreement (Section 334 German Civil Code (*Bürgerliches Gesetzbuch*)).

## 4. PARALLEL DEBT

4.1 The Issuer undertakes vis-à-vis the Trustee by way of a separate and independent obligation (within the meaning of Section 780 of the German Civil Code (*Bürgerliches Gesetzbuch*)) to satisfy the Parallel Debt Claim.

4.2 The Parties acknowledge that

- 4.2.1 the Trustee has an independent claim against the Issuer in accordance with Clause 4.1;
- 4.2.2 the Trustee holds the benefits resulting from the Parallel Debt Claim on trust for the Beneficiaries;
- 4.2.3 all amounts owed to the Trustee shall be automatically reduced by all amounts paid to the Beneficiaries from time to time by the Issuer under the relevant Transaction Documents and no payment may be collected twice by the Trustee and the other Beneficiaries; and
- 4.2.4 the Trustee may demand fulfilment of the Parallel Debt Claim from the Issuer in its own name also and not only in the name of the Beneficiaries.

## **5. OBLIGATION OF THE ISSUER TO CREATE THE ISSUER SECURITY**

The Parties acknowledge and agree that the Issuer (i) pledges all its rights and claims in respect of the Reference Asset credited to or otherwise held in the Securities Account from time to time and all certificates representing such securities present, and (ii) assigns all future claims against the relevant securities clearing and deposit bank (*Wertpapiersammelbank*), to the Trustee in accordance with the provisions of and pursuant to the Pledge Agreement.

## **6. WARRANTIES AND FURTHER OBLIGATIONS OF THE ISSUER**

- 6.1 The Issuer hereby makes the warranties as set out in Schedule 1 (*Warranties*) in the form of an independent guarantee undertaking in accordance with Section 311 para. 1 German Civil Code (*Bürgerliches Gesetzbuch*).
- 6.2 If any warranty set out in Schedule 1 (*Warranties*) should be inaccurate, the Issuer shall put the Trustee in a position as if the relevant warranty had been accurate.
- 6.3 The Issuer assumes the obligations set out in Schedule 1 (*Further Obligations*).

## **7. SECURITY PURPOSE AGREEMENT**

The Issuer Security is created for the Trustee in order to secure the Secured Claims. The Issuer waives its rights in accordance with Section 1210 para. 1 German Civil Code (*Bürgerliches Gesetzbuch*).

## **8. DUE CARE**

The Trustee shall fulfil its obligations with the care of a prudent merchant (*Sorgfalt eines ordentlichen Kaufmanns*).

## **9. VICARIOUS AGENTS**

If for the purpose of satisfying its obligations under this Agreement, the Trustee commissions an agent, the Trustee shall only be liable for properly selecting such agent (*Auswahlverschulden*).

## **10. LIMITATION OF LIABILITY**

The liability of the Trustee for damages and costs of any kind (also *vis-à-vis* third parties, but with the exception of damages caused to life, limb and health) shall be limited to gross negligence (*grobe Fahrlässigkeit*) and wilful misconduct (*Vorsatz*).

## 11. MANAGEMENT OF THE ISSUER SECURITY AND AUTHORISATION

- 11.1 With respect to the Issuer Security, the Trustee acts *vis-à-vis* the Issuer as a secured party and has a fiduciary obligation *vis-à-vis* the Issuer with regard to its obligation to release the Issuer Security after all Secured Claims have been redeemed.
- 11.2 The Trustee shall only be entitled to release the Issuer Security to the extent that this is expressly stipulated in this Agreement or in another Transaction Document or required by law.
- 11.3 The Trustee and the Issuer shall manage the Issuer Security subject to and in accordance with the provisions of the Transaction Documents. Prior to the enforcement of the Issuer Security, the Trustee hereby revocably (*widerruflich*) authorises the Issuer, as its attorney, to manage the Issuer Security pursuant to the Transaction Documents (the "**Authorisation**"). Where, pursuant to the Transaction Documents, the Trustee is required to act together with the Issuer, the Trustee shall in all cases prior to the termination or revocation of the Authorisation act in the manner as instructed by the Issuer. The Trustee shall not be liable for any actions taken on the basis of such instructions of the Issuer, or any actions taken by the Issuer as attorney for and on behalf of the Trustee in contravention, or despite the termination or revocation, of the Issuer's Authorisation, save for any gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*) on behalf of the Trustee.
- 11.4 The Issuer shall make use of the Authorisation with the due care and diligence of a prudent merchant (*Sorgfalt eines ordentlichen Kaufmanns*).
- 11.5 An Enforcement Notice (as defined below) shall be considered as a revocation of the Authorisation.

## 12. REALISATION OF THE ISSUER SECURITY AND TRUST ACCOUNT

- 12.1 As soon as the Issuer gains positive knowledge of an Enforcement Event, it shall be obliged to notify the Trustee thereof (the "*Enforcement Notice*"). After having received an Enforcement Notice or otherwise gained positive knowledge of the occurrence of an Enforcement Event, the Trustee shall be obliged to realise the Issuer Security in a manner of its own discretion (but always subject to Clause 14.3 of this Agreement) within the framework permitted by the relevant Issuer Security and the Transaction Documents. The Trustee shall, accordingly, realise Pledges only as soon as, in addition, the preconditions included in Sections 1273 *et seqq.* and Sections 1204 *et seqq.* German Civil Code (*Bürgerliches Gesetzbuch*) are satisfied, in particular, as soon as the Secured Claims are due and enforceable in full or in part (*Pfandreife*). The Trustee may take all required measures *vis-à-vis* the Issuer that are permissible in accordance with the provisions of the Transaction Documents, as well as under applicable law. The Trustee may (and, if appropriate, shall) notify the relevant debtors of the respective security rights and request direct payment from the debtors to an account specified by the Trustee.
- 12.2 Section 1277 German Civil Code (*Bürgerliches Gesetzbuch*) shall not apply and the realisation of the Issuer Security shall not require an enforceable title.
- 12.3 If several items of Issuer Security are available, the Trustee may choose which to realise.
- 12.4 The Issuer hereby waives all defences of revocation (*Einrede der Anfechtbarkeit*) and set-off (*Einrede der Aufrechenbarkeit*) pursuant to Sections 770 and 1211 German Civil Code (*Bürgerliches Gesetzbuch*), provided that the relevant rights are not rights of the Issuer that are undisputed (*unbestritten*) between the Parties or have been determined by final judgment (*rechtskräftig festgestellt*).

12.5 In the event that the Issuer Security has been realised or the Issuer has redeemed the Secured Claims in full or in part, no right shall pass over to the Issuer. In this regard, Section 1225 German Civil Code (*Bürgerliches Gesetzbuch*) shall not apply.

12.6 Until their distribution, all proceeds from the realisation of Issuer Security shall be held on trust by the Trustee, separately from its own assets, in an open trust account to be maintained in favour of the Beneficiaries where the proceeds result from the enforcement of the Issuer Security.

### **13. DISTRIBUTION OF THE PROCEEDS**

13.1 Following the realisation of the Issuer Security in accordance with Clause 12 of this Agreement and in accordance with the Terms and Conditions, the proceeds from the realisation of the Issuer Security shall be distributed to the Security Holders on a *pro rata* basis for payment of the relevant Redemption Amount, the relevant Acceleration Redemption Amount or the relevant Settlement Amount (as applicable) in respect of the corresponding Note. For the avoidance of doubt, each Security Holder ranks *pari passu* with the other Security Holders. The Trustee remains entitled to retain an amount equal to its outstanding fees and expenses (properly incurred) from any proceeds distributed to the Security Holders.

13.2 Without limitation of Clause 13.1 all payments have to be paid in the currency or currency unit in which it is expressed to be payable. Sums in one currency shall firstly be used for payments in the same currency and secondly after the sum has to be converted with other sums in a different currency.

### **14. RIGHTS AND POWERS OF THE TRUSTEE**

14.1 The Trustee shall be entitled to issue all notifications in the name of the Issuer that are required to perfect the security rights if the Issuer has not met a relevant request made by the Trustee. The Trustee is, however, not under any obligation to verify whether such notifications are required.

14.2 In the event that the Issuer has not effectively created the Issuer Security (or any individual element of the Issuer Security), the Trustee may request that the Issuer concludes all further required agreements at its costs and/or takes such measures, which from the Trustee's perspective are required to ensure that the creation of the Issuer Security is effective. The Trustee is, however, not under any obligation to verify whether the Issuer Security has been effectively created.

14.3 With respect to the Issuer Security, the Trustee shall be entitled to base its actions solely on relevant instructions issued by the majority of the Security Holders in accordance with the Terms and Conditions and applicable law and may ask for such instructions at any time at which the Trustee considers that this is necessary. The Trustee shall be under the obligation to follow such instruction, provided that the Trustee is properly and fully indemnified for such action, and the Trustee shall be under no obligation to act under this Agreement or the Pledge Agreement until it has received the respective instructions requested by it in accordance with this Agreement. The Trustee shall not be liable for any actions taken on the basis of such instructions, save for any gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*) in implementing or in failing to implement such instructions.

14.4 The Security Holders alone are responsible for reviewing the financial situation, the creditworthiness and the general situation of the Issuer. The Trustee has no such fiduciary responsibility vis-à-vis the Security Holders.

14.5 The Trustee may rely on the correctness and completeness of the information provided by the Issuer or a Security Holder and shall not be liable for damages on the basis of incorrect of

incomplete information provided by the Issuer or the Security Holder to the Trustee, unless the Trustee has actual knowledge of such incorrectness or incompleteness.

14.6 The Trustee shall not be:

- (a) liable for actions or omissions of the Issuer; this shall apply expressly, but not exclusively with respect to Clause 11.3 and to actions or omissions of third parties within the meaning of Clause 11.3;
- (b) liable for the legal effectiveness or legal enforceability of the Terms and Conditions and the other Transaction Documents;
- (c) liable for the legal effectiveness, legal enforceability, commercial value (*Werthaltigkeit*) or sufficiency of the Issuer Security;
- (d) bound to enquire as to (i) the commercial value (*Werthaltigkeit*) of any parts of the Issuer Security or as to (ii) the occurrence of any Enforcement Event; and
- (e) under any obligation other than those which are specifically provided for in this Agreement and the Pledge Agreement.

14.7 In connection with the satisfaction of its obligations under this Agreement and the Pledge Agreement, the Trustee shall be entitled, at its own discretion and at the Issuer's cost, to obtain advice from lawyers, certified public accountants and other experts within an appropriate scope and at usual market conditions. The Trustee may rely on such advice without carrying out any subsequent review of its own and shall not be liable for damages caused due to the fact that it relied on such advice, including in particular (but without limitation), for any negligent conduct of the relevant advisers. Within the scope of Clause 10 (*Limitation of liability*), the Trustee shall only be liable for selecting the advisers with due care (*Auswahlverschulden*).

14.8 The Trustee may:

- (a) assume unless it has, in its capacity as Trustee, actual knowledge (*positive Kenntnis*) to the contrary, that:
  - (i) any representation made by the Issuer is true;
  - (ii) no Enforcement Event has occurred;
  - (iii) each person purporting to be an authorised signatory of the Issuer is duly authorised to act in that capacity by or on behalf of the Issuer;
  - (iv) each request, direction, information or document received by it from a Beneficiary is correct;
  - (v) any communication or document received by it is valid, genuine and enforceable against the person by whom or on whose behalf it is purported to be given;
  - (vi) any of its claims under this Agreement and the Pledge Agreement are valid and enforceable; and
  - (vii) any person purporting to be a Security Holder by presenting to the Trustee (upon its request) the global note representing the Note (or, as the case may be, the entry thereof reflected in the Clearing System) is a Security Holder;

- (b) rely as to any matters of fact which might reasonably be expected to be within the knowledge of the Issuer or a Security Holder upon a certificate signed by or on behalf of the Issuer or a Security Holder and be entitled to request such a certificate from the Issuer or a Security Holder in its reasonable discretion; and
- (c) refrain from acting in accordance with any of its obligations under this Agreement or the Pledge Agreement until it shall have been indemnified and/or secured and/or prefunded (i) in relation to all amounts payable to it in accordance with this Agreement or the Pledge Agreement and (ii) against all loss, damage, expense or other liability as agreed upon pursuant to this Agreement, including Clause 16 (*Fees, Costs and Expenses*) hereof. The Trustee shall not be required to expend own funds.

Consequently, the Trustee has no responsibility (i) to monitor compliance by any other party of its obligations under this Agreement or the Transaction Documents, or (ii) to take any steps to ascertain whether any relevant event under this Agreement or the Transaction Documents has occurred.

- 14.9 The Trustee shall exercise the discretion granted to it by considering the interests of the Beneficiaries, including in particular (but without limitation) those of the Security Holders.
- 14.10 The Trustee shall not be obliged to disclose any information to the Security Holders if such disclosure is in breach of the Data Protection Standards and none of the Security Holders shall be entitled to take any relevant measures against the Trustee. For the avoidance of doubt, the Trustee is entitled to disclose all information to the Security Holders that it receives from the Issuer in connection with this Agreement.
- 14.11 All provisions of this Agreement shall be interpreted in a manner that does not impair the Trustee in the exercise of its other business.
- 14.12 The Trustee may refrain from doing anything which in its opinion will or may be contrary to any applicable law, directive or regulation of any jurisdiction which would or might otherwise render it liable to any person, and the Trustee may do anything which is, in its opinion, necessary to comply with all applicable law, directive or regulation.

## **15. RELEASE OF THE ISSUER SECURITY**

As soon as the Trustee is convinced (based on evidence to be provided by the Issuer and/or the Beneficiaries upon request of the Trustee) that the Secured Claims have been finally redeemed in full, it shall release the Issuer Security. With regard to the pledges created pursuant to the Pledge Agreement, the release shall be notified for the sake of good order in accordance with Clause 7 of the Pledge Agreement. The Parties acknowledge that after the complete redemption of the Secured Claims, the pledges created pursuant to the Pledge Agreement will cease to apply by operation of law (due to their accessory nature). Thereafter, at the request of the Issuer, the Trustee shall be obliged to take all measures, at the Issuer's cost, required to cancel the Issuer Security created under this Agreement and to retransfer and/or re-assign, if and as applicable, the Issuer Security to the Issuer or to any person designated by the Issuer.

## **16. FEES, COSTS AND EXPENSES**

- 16.1 The Issuer shall pay to the Trustee for the services provided hereunder as Trustee a fee and all other (if any) amounts as further specified in and in accordance with the provisions of a separate fee letter (the "**Trustee Fee Letter**").
- 16.2 The Issuer shall indemnify the Trustee in relation to all amounts payable by it under this Agreement or the Pledge Agreement and against any loss, damage, expense, or other liability including, but without limitation, legal costs and expenses reasonably incurred in connection with this Agreement and performance of its obligations hereunder (including, in each case,

VAT in respect thereof); **provided that** (i) this shall not apply if the Trustee has acted in wilful misconduct (*vorsätzlich*) or gross negligently (*grob fahrlässig*), and (ii) the Parties agree that legal costs of entering into this Agreement and the Pledge Agreement shall only be indemnified once up to a maximum amount of EUR 7,000 (plus VAT) in accordance with or as otherwise agreed upon in the Trustee Fee Letter.

- 16.3 The Issuer shall pay all stamp, documentary or registration taxes or duties and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the execution and delivery of this Agreement and any letters of appointment under which the Trustee is appointed as agent or trustee hereunder or otherwise levied (including any interest and penalties thereon or in connection therewith) and which may be payable upon or in connection with the execution and fulfilment of this Agreement. The Issuer shall indemnify the Trustee against any claim, demand, action, liability, loss or expense (including reasonable legal fees) accrued or asserted against it as a result of any default or delay in payment. The indemnification specified in this Clause 16.3 shall remain in full force and effect notwithstanding the (premature) termination or expiry of this Agreement.
- 16.4 Without limiting the generality of the foregoing, in order to comply with applicable tax laws (inclusive of any current and future laws, rules, regulations, intergovernmental agreements and interpretations thereof promulgated by competent authorities) related to the Transaction Documents in effect from time to time ("**Applicable Law**") that a foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Issuer/Company agrees (i) to provide to the Trustee sufficient information about the parties and/or transactions (including any modification to the terms of such transactions) so the Trustee can determine whether it has tax related obligations under Applicable Law and (ii) that the Trustee shall be entitled to make any withholding or deduction from payments to comply with Applicable Law for which the Trustee shall not have any liability.
- 16.5 The indemnities set out under this Clause 16 shall survive the termination of this Agreement.

## **17. TERMINATION AND CHANGE OF THE TRUSTEE**

- 17.1 This Agreement and the trust relationship shall terminate as soon as all the Issuer Security created under this Agreement (i) has been definitively released or (ii) has been realised and all realisation proceeds have been distributed in accordance with Clause 13 (*Distribution of the Proceeds*). Any obligations of the Parties created up to this point in time shall continue.
- 17.2 The Trustee may terminate its appointment as trustee at any time (i) for good cause (*aus wichtigem Grund*) or (ii) subject to a notice period of ninety (90) Banking Days and by observing the provisions of Clause 17.4. In such event, the Trustee shall make all reasonable endeavours to ensure that another trustee can be appointed before the end of the notice period.
- 17.3 The Issuer shall be entitled and, upon a written instruction issued by the majority of the Security Holders in accordance with the Terms and Conditions and applicable law, obliged to terminate the appointment of the Trustee (i) for good cause (*aus wichtigem Grund*) or (ii) subject to a notice period of ninety (90) Banking Days by observing the provisions of Clause 17.4.
- 17.4 Notwithstanding the right of termination for good cause (*aus wichtigem Grund*), any termination in accordance with Clause 17.2 and 17.3 shall only become effective if (i) a new trustee has been appointed and (ii) all rights and obligations of the Trustee arising on the basis of this Agreement and the Pledge Agreement have passed over to the new trustee under this Agreement or a succeeding security trust agreement. The Issuer agrees with the Trustee that if, by the day falling twenty (20) calendar days before the expiry of any notice period under this Clause 17.4, the Issuer has not appointed a successor trustee, the Trustee shall be entitled, on behalf and at the expense of the Issuer, to appoint a successor trustee in its place on

substantially identical commercial terms, which shall be a reputable institution with the legal capability to perform all services under this Agreement.

17.5 The Trustee shall be obliged to inform the new trustee within a reasonable scope about its previous activities undertaken in connection with this Agreement and shall submit all required documents to the new trustee.

17.6 The costs incurred due to a change of trustee shall be borne by the Issuer.

## 18. NOTICES

18.1 The entire exchange of information undertaken in accordance with this Agreement shall be in writing, but may also be made by fax or email, unless specified otherwise.

18.2 All notices shall be written in English.

18.3 All written notices to be given or documents to be submitted under this Agreement shall be sent to the address of the recipient stated in this Clause 18 (*Notices*) (unless the respective recipient has indicated another address to the respective other Party by observing a notice period of fifteen (15) calendar days) and shall be deemed to be made and transmitted (in the event of a transmission by fax) upon their sending (rebuttable presumption) or (in the event of a notice sent by mail) upon its arrival at the respective address or (if necessary) three (3) calendar days after being posted in a prepaid envelope on which the recipient's address is written. Any information transmitted by fax or electronic media shall be confirmed by a letter without undue delay (*unverzüglich*) if a relevant request is made, however, the non-transmission or non-receipt of such a letter shall not affect the validity of the original notice.

18.4 Notices to the Issuer

Name: UniCredit Bank AG  
Address: Arabellastraße 12, 81925 Munich, Germany  
Fax: [●]  
Contact: [●]  
Email: [●]

18.5 Notices to the Trustee

Name: [●]  
Address: [●]  
Fax: [●]  
Contact: [●]

## 19. GENERAL TERMS AND CONDITIONS OF BUSINESS

In connection with this Agreement, the general terms and conditions of business of the Trustee and the Issuer shall not apply.

## 20. AMENDMENTS

All amendments to this Agreement shall require written form and be consented to by the Parties unanimously. The same shall apply accordingly to any amendments to this Clause 20 (*Amendments*) and to any waiver of the written-form requirement set forth in this Clause 20 (*Amendments*).

## **21. CONFIDENTIALITY**

- 21.1 The information obtained in connection with this Agreement may not be disclosed to third parties, except:
- 21.1.1 to Security Holders or their advisers and competent regulatory authorities;
  - 21.1.2 in connection with all judicial, administrative or other proceedings in connection with this Agreement the Pledge Agreement or the Notes;
  - 21.1.3 due to an order issued by a competent court;
  - 21.1.4 in accordance with statutory provisions or official requirements, with which the Party concerned must comply or with which it usually complies;
  - 21.1.5 to competent authorities, in particular, competent supervisory authorities or tax authorities; and
  - 21.1.6 to auditors or other professional advisers who are bound by a statutory or similar confidentiality obligation.
- 21.2 The restriction stated in Clause 21.1 above shall not apply to:
- 21.2.1 employees, executives or representatives of the Parties, whose area of responsibility overlaps with this Agreement in any manner;
  - 21.2.2 information that has become known to the recipient, is or will be available to the public without any breach of this provision being committed; and
  - 21.2.3 information that the disclosing Party has obtained outside this Agreement and when obtaining it, was not bound by any confidentiality obligation.
- 21.3 Irrespective of the provisions included in Clauses 21.1 and 21.2 above, the Parties undertake to keep the contents of this Agreement, the details of its implementation as well as all information and data which they have obtained in connection therewith confidential. Any disclosure to third parties shall, except as stipulated above, only be permissible if any Party has a legitimate interest in such a disclosure. In such an event, the scope of the disclosure shall be restricted to the absolutely required minimum. In addition, the Trustee warrants keeping all information obtained in connection with this Agreement confidential in accordance with its general professional duties according to applicable laws and business standards.
- 21.4 This Clause 21 (*Confidentiality*) shall continue to be effective after the termination or expiry of this Agreement and the Pledge Agreement.

## **22. SEVERABILITY**

Notwithstanding the other provisions of this Agreement, the following shall apply: if one or several provisions of this Agreement are or become ineffective, unlawful or unenforceable or if they are incomplete, the effectiveness of the other provisions of this Agreement shall not be affected thereby. Any relevant provision or contractual gap shall be replaced or filled in by the Parties by a provision that comes as close as possible to the relevant commercial objectives pursued.

## **23. WAIVER AND COMPATIBLE RIGHTS**

- 23.1 No delay or omission on the part of either Party hereto in exercising any right, power or remedy under this Agreement shall be construed as a waiver thereof nor shall any single or

partial exercise of any right, power or remedy preclude any further exercise thereof or the exercise of any other rights, power or remedy. A waiver by any Party hereto of any breach of any of the terms of this Agreement or the acquiescence of such Party in any act (whether commission or omission) which but for such acquiescence would be a breach as aforesaid shall not constitute a general waiver of such terms or of any subsequent act contrary thereto. No waiver by any Party of any term of this Agreement and no approval by any Party shall be effective unless in writing.

23.2 The claims and rights contained in this Agreement shall be cumulative and shall not preclude claims or rights under statutory law or under other applicable agreements, in particular claims for compensation, unless something different is expressly stipulated.

23.3 Claims for withdrawal, termination or compensation that the Trustee has vis-à-vis the Issuer or another person under this Agreement or on the basis of any law, shall not be subject to the right to request subsequent performance or subsequent repair or any determination of a deadline, unless otherwise stipulated or expressly agreed upon between all Parties.

## **24. GOVERNING LAW, PLACE OF PERFORMANCE AND JURISDICTION**

24.1 This Agreement and any non-contractual obligations arising out of or in connection with it, as well as its interpretation, shall be governed by the law of the Federal Republic of Germany.

24.2 The place of performance shall be Munich, Germany.

24.3 The courts of Munich, Germany have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement (a "**Dispute**")).

24.4 The Parties agree that the courts of Munich, Germany are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

## **25. COUNTERPARTS**

This Agreement may be signed in one or more counterparts. Each signed copy shall be deemed to be an original.

## **26. CONCLUSION OF THIS AGREEMENT (*VERTRAGSSCHLUSS*)**

The Parties to this Agreement may choose to conclude this Agreement by an exchange of signed signature page(s), transmitted by any means of telecommunication (*telekommunikative Übermittlung*) such as by way of fax or email.

## SCHEDULE 1

### WARRANTIES AND FURTHER OBLIGATIONS OF THE ISSUER

#### PART I

#### WARRANTIES

The Issuer warrants *vis-à-vis* the Trustee in the form of an independent guarantee undertaking in accordance with Section 311 para. 1 German Civil Code (*Bürgerliches Gesetzbuch*) that:

1. it is a stock corporation (*Aktiengesellschaft*) incorporated under the laws of the Federal Republic of Germany;
2. it is authorised and able to issue the Notes, to sign this Agreement and the other Transaction Documents and to assume the obligations connected thereto and that it has authorised its signatories effectively and in the required scope;
3. this Agreement, the Notes and the Pledge Agreement are effective obligations for it; and
4. the Issuer Security has been effectively created.

#### PART II

#### FURTHER OBLIGATIONS

The Issuer undertakes towards the Trustee:

##### General obligations

1. to immediately transmit to the Trustee all information the Issuer transmits to the Security Holders in connection with the Reference Asset, as far as this is permissible in accordance with these documents and the Data Protection Standards;
2. to inform the Trustee without undue delay (*unverzüglich*) if it is obliged, with respect to the Notes, to retain and/or pay any amounts as capital yield tax (*Kapitalertragsteuer*);
3. to inform the Trustee without undue delay (*unverzüglich*) in writing if it becomes aware of an Enforcement Event;
4. to inform the Trustee without undue delay (*unverzüglich*) if it becomes aware of a breach of the provisions of this Agreement or any of the other Transaction Documents;
5. to inform the Trustee without undue delay (*unverzüglich*) if it turns out that any of its warranties under this Agreement was incorrect at the time it was made;
6. provide the Trustee with all information reasonably requested by it for the purpose of fulfilling its obligations under this Agreement or the Pledge Agreement; and
7. to avoid any actions or omissions that may result in the value of the Issuer Security decreasing.

**SECURITY TRUST AGREEMENT  
SIGNATURES**

**UNICREDIT BANK AG**  
as Issuer

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

[●]  
as Trustee

\_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

## ANNEX 2 – PLEDGE AGREEMENT

The Pledge Agreement will be substantially in the form as follows:

### Pledge Agreement

between

UniCredit Bank AG  
Arabellastraße 12  
81925 München

– hereinafter referred to as "**Pledgor**" –

and

[●]  
[●]  
[●]

– hereinafter referred to as "**Pledgee**" –

(together the "**Parties**").

The Pledgor has opened the following securities account with Clearstream Banking AG, Frankfurt am Main (the "**Collateral Trustee**"):

Account Number: [●]  
Code: [●]

(the "**Securities Account**").

It is planned to deposit the following collateral asset in the Securities Account:

Collateral Asset Issuer: [●]  
Currency: [●]  
Collateral Notional: [●]  
Aggregate Collateral Notional: [●]  
Maturity Date: [●]  
ISIN: [●]  
WKN: [●]

(the "**Collateral Asset**").

The Pledgor intends to issue [●] year Notes due [●] as further specified below (the "**Notes**" and each a "**Note**"). The Pledgee holds the pledge created pursuant to this agreement on trust for the benefit of the purchaser of the Notes as further specified in the security trust agreement entered into between the Pledgee as trustee and the Pledgor dated on or about the date of this agreement (the "**Security Trust Agreement**"). In order to minimize the risks of the purchaser of the Notes in connection with the investment in the Notes, the Pledgor has agreed to pledge its rights in respect of the Collateral Asset deposited in the Securities Account to the Pledgee in accordance with the provisions of this agreement.

The following is agreed:

## **I. Definitions**

Capitalised terms used but not defined in this agreement shall have the meaning given to such term in the terms and conditions of the Notes as attached to this agreement as Annex 2 (*Terms and Conditions of the Notes*) (the "**Terms and Conditions**").

## **II. Creation of the Pledge**

1. The Pledgor hereby grants for the benefit of the Pledgee a first priority pledge (*erstrangiges Pfandrecht*) pursuant to §§ 1204 *et seqq.* of the German Civil Code (*Bürgerliches Gesetzbuch* – "**BGB**") in respect of the Collateral Asset credited to or otherwise held in the Securities Account from time to time and all certificates representing such securities, as the case may be, (the "**Pledged Securities**") together with:

- (a) all ancillary rights relating thereto;
- (b) the Pledgor's respective co-ownership interests in the collective safe custody holdings (*Miteigentumsanteile am Girosammelbestand*) in case the certificates are held in collective safe custody (*Girosammelverwahrung*),
- (c) any and all pecuniary rights (*vermögenswerte Rechte*) resulting from any of the Pledged Securities, in accordance with Sections 1274, 413 and 398 BGB; and
- (d) all present and future securities entries (*Wertpapiergutschriften*) or other entries (*Gutschriften*) made from time to time on the Securities Account in relation to the Pledged Securities, including any interest receivable in respect of the securities entries on the Securities Account in relation to the Pledged Securities, each payment claim against the Collateral Trustee which arises due to, or in connection with, a securities entry on the Securities Account in relation to the Pledged Securities, and any other ancillary right or claim of the Pledgor arising in relation to the Pledged Securities,

(each a "**Pledge**" and together the "**Pledges**").

2. The Pledgor hereby transfers possession of the Pledged Securities to the Pledgee by assigning its rights pursuant to Sections 870, 871 BGB and any present and future rights to demand delivery and possession (*Abtretung der Herausgabeansprüche*) of the Pledged Securities from the Collateral Trustee and/or from a relevant securities clearing and deposit bank (*Wertpapiersammelbank*), including, but not limited to, its rights pursuant to Sections 7 and 8 of the German Securities Deposit Act (*Depotgesetz*) and its rights to demand delivery and possession of all certificates representing any Pledged Securities held by the Collateral Trustee on behalf of the Pledgor pursuant to Section 695 BGB against the Collateral Trustee (the "**Assignment**").
3. The Pledges and the Assignment shall extend automatically to any newly purchased financial instruments replacing or supplementing any of the Pledged Securities and to the proceeds of any sale thereof, which shall forthwith be credited to, or, to the extent such financial instruments will not be held in collective safe custody (*Girosammelverwahrung*), deposited with and held in, the Securities Account, including but not limited to, the Substitute Assets (as defined in the Terms and Conditions), without the Pledgor taking direct possession (*unmittelbarer Besitz*) of them at any time. The Pledgor shall be obliged to notify the Pledgee of any such newly purchased financial instrument replacing or supplementing any of the Pledged Securities.
4. The Pledgee herewith accepts the Pledges.
5. The Pledges shall become effective as of the later of (i) the Issue Date and (ii) the date on which the registration of the Collateral Asset in the Securities Account is completed.
6. The Pledgee shall administer and enforce the Pledges in accordance with and subject to the terms of this agreement and the Security Trust Agreement.

### **III. Purpose**

The Pledges shall serve to secure any and all present, future and contingent claims of the Beneficiaries as defined and further specified in the Security Trust Agreement and in relation to the following Notes including their relevant Terms and Conditions:

Issuer:	[●]
ISIN:	[●]
Currency:	[●]
Principal Amount:	[●]
Aggregate Principal Amount:	[●]

### **IV. Notification of the Pledge**

The Pledgor shall (and the Pledgee shall be authorised to do so on its behalf) notify the Collateral Trustee of the creation of the Pledges by using the form attached to this agreement as Annex 1 (*Notice of Pledge*) within five (5) Banking Days following the date of this agreement.

### **V. Rights of the Pledgor**

Until the enforcement of the Pledges in accordance with the provisions of this agreement and the Security Trust Agreement, the Pledgor shall only be entitled to dispose of the Pledged Securities (including, but not limited to, any transfer or sale of the Pledged Securities, by way of an auction or otherwise), receive and keep any principal and/or income payment under the Pledged Securities and to exercise, or to direct the Collateral Trustee (as the case may be) to exercise, all other rights and powers associated with the Pledged Securities, including but not limited to, any voting rights attached to the Pledged Securities together with the Pledgee.

## **VI. Enforcement of the Pledge**

1. The Pledgee shall be entitled to revoke the rights of the Pledgor in accordance with the provisions of the Security Trust Agreement upon the occurrence of any of the following enforcement events (each an "**Enforcement Event**"):
  - (a) a failure by the issuer of the Notes to make any payments, delivery or settlement under the Notes as and when due in accordance with the Terms and Conditions and such failure persists for more than five (5) Banking Days, unless such failure is caused by an error or omission of an administrative or operational nature and the Pledgor can evidence reasonably satisfactory to the Pledgee that it was caused by an error or omission of an administrative or operational nature; or
  - (b) the Pledgor becomes insolvent.
2. In order to enforce the Pledges, the Pledgee shall notify the Pledgor and the Collateral Trustee of the occurrence of an Enforcement Event by sending a blocking notice (the "**Blocking Notice**").
3. Upon the date of the confirmed Blocking Notice (the "**Pledge Enforcement Date**"), the Collateral Trustee shall cease to follow the joint instructions of the Pledgor and Pledgee and shall instead follow the instructions of the Pledgee, i.e. all rights attached to the Pledged Securities are transferred to the Pledgee (the "**Pledge Enforcement**"). Thereafter, the Pledgee may instruct the Collateral Trustee within seven (7) Banking Days to transfer the Pledged Securities to any account to be designated by the Pledgee.
4. On the date on which the Pledgee has received the Pledged Securities in its own account, which shall be not later than ten (10) Banking Days after the Pledge Enforcement Date, all obligations of the Pledgor under the Notes shall be regarded as satisfied and the Notes shall be regarded as redeemed in full and shall cease to exist.

## **VII. Termination of the Pledges / Release of the Collateral Asset**

1. Upon redemption of the Notes in full or otherwise in accordance with the Terms and Conditions, the Pledges shall be terminated and their release shall be confirmed by the Trustee by notice to the Pledgor in accordance with Clause 15 of the Security Trust Agreement.
2. For the avoidance of doubt, upon receipt by the Pledgee of the Redemption Amount, the Acceleration Redemption Amount or the Settlement Amount (as applicable and each as defined in the Terms and Conditions) the Pledges will cease to exist due to their accessory nature (*Akzessorietät*).

## **VIII. Severability**

In the event that any provision hereof is legally ineffective or unenforceable, the validity of the other provisions hereof shall not be affected thereby.

## **IX. Governing Law, Place of Jurisdiction**

This agreement shall be governed by and construed in accordance with German Law. Place of jurisdiction is Munich, Germany.

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**Munich, Date**

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**UniCredit Bank AG**

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**UniCredit Bank AG**

**[•], Date**

---

**[•]**

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**[•]**

**Annex 1**  
**Notice of Pledge**

[Letterhead of Pledgor]

From: [Pledgor]

To: [Collateral Trustee]

Date: [●]

**Our Securities Account No. [●] Code: [●] (the "Securities Account")**

**Our Securities issued by**

Dear Sirs:

We hereby give you notice that by a pledge agreement dated [●] (the "**Pledge Agreement**") we have pledged in favour of [*insert name of Pledgee*] (the "**Pledgee**") the Collateral Asset credited to or otherwise held in the Securities Account and all certificates representing such securities (the "**Pledged Securities**") and, as the case may be, any and all (present and future, actual and contingent) claims which we have against you to grant repossession of the Pledged Securities to us (*Herausgabeansprüche*) and all corresponding claims in relation to the Collateral Asset, including without limitation, all present and future securities entries (*Wertpapiergutschriften*) or other entries (*Gutschriften*) made from time to time on the Securities Account in relation to the Pledged Securities. A copy of the Pledge Agreement is attached hereto.

The Pledged Securities are meant to secure the obligations which from time to time are or become owing by us to the Beneficiaries (as defined and further specified in the Security Trust Agreement, itself defined in the Pledge Agreement) in respect of the Notes (as defined in the Pledge Agreement). Until receipt of a Blocking Notice (as defined in the Pledge Agreement) from the Pledgee, any dispositions of the Pledged Securities (including, but not limited to, any transfer or sale of the Pledged Securities, by way of an auction or otherwise), receipt and/or retention of payments under the Pledged Securities and the exercise of rights and powers associated with the Pledged Securities require the joint consent of us, the Pledgor, and the Pledgee. After receipt of a Blocking Notice you may act on the sole instructions of the Pledgee.

Please acknowledge receipt of this notice and your agreement with the terms hereof by signing the enclosed copy and returning the same to the Pledgee, with a copy to us.

Sincerely yours

[*Pledgor*]

Annex: Copy of Pledge Agreement

**Annex 2**  
**Terms and Conditions of the Notes**

## DESCRIPTION OF INDICES COMPOSED BY THE ISSUER OR BY ANY LEGAL ENTITY BELONGING TO THE SAME GROUP

### A. HVB Health Care Risk Control 7 Index

The HVB Health Care Risk Control 7 Index (the “**Index**”) (ISIN DE000A18T2X6) is an Index developed and created by UniCredit Bank AG or its legal successor (the “**Index Sponsor**”). The index is calculated in EUR (“**Index Currency**”) according to the following Index rules (“**Index Rules**”) by UniCredit Bank AG or a successor determined by the Index Sponsor (the “**Index Calculation Agent**”). The Index reflects an investment with limited risk into a Base Index (as defined in section 2) which is again based on an algorithmic trading strategy. For risk control purposes the Index participates in the performance of the Base Index with a varying Participation Rate (defined in section 3). The Participation Rate is calculated by the Index Calculation Agent on each Index Calculation Day (as defined in section 1) based on the annualized realized volatility (as defined in section 3). The Index aims at a price development reflecting a risk controlled investment into the Base Index (“**Index Objective**”).

#### 1. GENERAL DESCRIPTION

To pursue the Index Objective, the Index Calculation Agent will calculate the Final Reference Value (as defined in section 4) in the Index Currency of the Index on each Calculation Day (each of them being an “**Index Calculation Day**”) based on the closing price of the Base Index and considering the current Participation Rate.

“**Calculation Day**” is each day the Base Index Sponsor or the Base Index Calculation Agent publishes a closing price of the Base Index and on which the Relevant Exchange is open for general business.

“**Relevant Exchange**” is the relevant domestic options exchange where derivatives on the Base Index are being traded (as further specified below in section 7).

“**Closing Price**” is the Final Reference Value of the Base Index as calculated by the Base Index Calculation Agent and published via data sources as Bloomberg and Thomson Reuters.

The Final Reference Value will be published on the Reuters page: .QUIXDP7 and via Bloomberg: QUIXDP7 <Index> (or the corresponding successor page). Publication will occur on each Index Calculation Day.

The Final Reference Value on 1 December 2015 (the “**Start Date**”) is EUR 1000,-.

#### 2. BASE INDEX

The “**Base Index**” is the STOXX<sup>®</sup> Europe 600 Health Care (Price-) Index (ISIN EU0009658723 / Bloomberg: SXDP Index <go> / Reuters: .SXDP ). The Base Index is owned by STOXX Ltd. (“**Base Index Sponsor**”) and is calculated and published by STOXX Ltd. (“**Base Index Calculation Agent**”).

If the Base Index is no longer suitable to pursue the Index Objective, the Index Sponsor will change the Base Index in its reasonable discretion (§ 315 BGB) (the “**New Base Index**”) such that the pursuance of the essentially unchanged Index Objective remains possible. Such a change must not influence the economic situation of the owners of financial derivatives based on that Index in a substantially negative way. In case of such a change all references to the Base Index in the Index Rules refer to the New Base Index. If necessary, the Base Index Sponsor and the Base Index Calculation Agent need to be adjusted.

#### 3. DETERMINATION OF THE PARTICIPATION RATE

The Participation Rate (the “**Participation Rate**”) is calculated by the Index Calculation Agent for each Index Calculation Day (t) (“**P (t)**”) as follows:

$$P(t) = \min \left[ \text{Cap Level}, \frac{\text{TargetVolatility}}{\text{Vol}(t)} \right]$$

“**Cap Level**” is 100%.

“**TargetVolatility**” is 7%

“**Vol(t)**” is the Annualized Realized Volatility (“**Annualized Realized Volatility**”), calculated by the Index Calculation Agent as annualized square root of the arithmetic mean of the squared logarithmic returns of the Base Index over the last N consecutive Calculation Days:

$$Vol(t) = \sqrt{\frac{252}{N} * \sum_{i=1}^N \left[ \ln \left( \frac{BI(t-i-1)}{BI(t-i-2)} \right) \right]^2}$$

with

“**BI (t-i-1)**” being the official closing price of the Base Index at the Calculation Day being i+1 days (i= 1,...,N) before the Index Calculation Day(t).

“**BI (t-i-2)**” being the official closing price of the Base Index at the Calculation Day being i+2 days (i= 1,...,N) before the Index Calculation Day(t).

“**N**” being 60.

#### 4. CALCULATION OF THE FINAL REFERENCE VALUE

The Index Calculation Agent will calculate the Final Reference Value (the “**Final Reference Value**”) of the Index on each Index Calculation Day (t).

The Final Reference Value (t) (“**FRV(t)**”) on an Index Calculation Day (t) is calculated as follows:

$$FRV(t) = FRV(t-1) * \left[ 1 + P(t) * \left( \frac{BI(t)}{BI(t-1)} - 1 \right) \right]$$

“**FRV(t-1)**” is the Final Reference Value of the Index on the Index Calculation Day being one Calculation Day before the Index Calculation Day (t).

“**BI(t)**” is the official closing price of the Base Index on the corresponding Index Calculation Day (t).

“**BI(t-1)**” is the official closing price of the Base Index one day before the corresponding Index Calculation Day (t).

#### 5. MARKET DISRUPTION

##### 5.1 Final Reference Value

In case of a Market Disruption of the Base Index on a Calculation Day, the calculation of the Final Reference Value will be based on the last available Closing Price before the Market Disruption affecting the Base Index became effective. The Participation Rate stays unchanged until the Market Disruption ceases.

##### 5.2 Definition of a Market Disruption

“**Market Disruption**” with respect to the Base Index means the occurrence or the persistence of one of the following events: (a) a Trading Suspension, (b) an Early Closure, (c) a General Moratorium of Banking Transactions or (d) an Index Disruption.

- a) “**Trading Suspension**” means the suspension or restriction of the trading of derivatives relating to the Base Index on the Relevant Exchange, e.g. caused by price movements exceeding the regulatory limits, or for any other reasons.
- b) “**Early Closure**” means the closing of Relevant Exchange before the regular closing time of a trading day, excluding the case that the early closing was announced by the relevant stock exchange market in advance such that all market participants were able to adapt their trading behavior accordingly.
- c) “**General Moratorium of Banking Transactions**” means that there is a general moratorium of banking transactions due to a provision of the relevant authorities.
- d) There is an “**Index Disruption**” if it is impossible to determine with reasonable effort a liquid market price for a relevant derivative on the Base Index.

The Index Sponsor decides on the existence of a Market Disruption in his reasonable discretion (§ 315 BGB).

**6. EXTRAORDINARY ADJUSTMENT OF THE INDEX RULES**

If the pursuing of the Index Objective requires changes in the Index Rules due to i) a significant change in the relevant regulatory or legal framework or in taxation, ii) a significant change of law or iii) significantly changed market circumstances, then the Index Sponsor will change the Index Rules in his reasonable discretion such that the pursuing of the essentially unchanged Index Objective remains possible. Such a change must not influence the economic situation of the owners of financial derivatives based on that Index in a substantially negative way.

**7. TABLE OF RELEVANT EXCHANGES**

<b>Underlying Index</b>	<b>Relevant Exchange</b>
STOXX <sup>®</sup> Europe 600 Health Care (Price-) Index	EUREX

**8. INDEX SPONSOR; INDEX CALCULATION AGENT**

The Index Sponsor transferred all rights and duties concerning the calculation of the Final Reference Value to the Index Calculation Agent. The Index Sponsor has the right to nominate a new Index Calculation Agent (the “**New Index Calculation Agent**”) at any time. From that time on all references to the Index Calculation Agent in this description refer to the New Index Calculation Agent.

**9. DISCLAIMER**

The Index exists exclusively in form of database records and does not express any legal or economical ownership of the Base Index or its components. Every action as described above is only executed in the sense of changing these database records. Neither issuers of financial instruments based on the Index nor the Index Calculation Agent nor the Index Sponsor is obligated to neither invest in the Base Index or its components nor to hold them.

The calculation of the Final Reference Value is done by the Index Calculation Agent with due diligence. Neither the Index Sponsor nor the Index Calculation Agent can guarantee the correctness of the market data used for the calculation. Neither the Index Sponsor nor the Index Calculation Agent is liable for direct or indirect losses or damages caused by errors in the market data used to calculate the Final Reference Value.

## B. HVB Health Care Risk Control 10 Index

The HVB Health Care Risk Control 10 Index (the “**Index**”) (ISIN DE000A18TYX9) is an Index developed and created by UniCredit Bank AG or its legal successor (the “**Index Sponsor**”). The index is calculated in EUR (“**Index Currency**”) according to the following Index rules (“**Index Rules**”) by UniCredit Bank AG or a successor determined by the Index Sponsor (the “**Index Calculation Agent**”). The Index reflects an investment with limited risk into a Base Index (as defined in section 2) which is again based on an algorithmic trading strategy. For risk control purposes the Index participates in the performance of the Base Index with a varying Participation Rate (defined in section 3). The Participation Rate is calculated by the Index Calculation Agent on each Index Calculation Day (as defined in section 1) based on the annualized realized volatility (as defined in section 3). The Index aims at a price development reflecting a risk controlled investment into the Base Index (“**Index Objective**”).

### 1. GENERAL DESCRIPTION

To pursue the Index Objective, the Index Calculation Agent will calculate the Final Reference Value (as defined in section 4) in the Index Currency of the Index on each Calculation Day (each of them being an “**Index Calculation Day**”) based on the closing price of the Base Index and considering the current Participation Rate.

“**Calculation Day**” is each day the Base Index Sponsor or the Base Index Calculation Agent publishes a closing price of the Base Index and on which the Relevant Exchange is open for general business.

“**Relevant Exchange**” is the relevant domestic options exchange where derivatives on the Base Index are being traded (as further specified below in section 7).

“**Closing Price**” is the Final Reference Value of the Base Index as calculated by the Base Index Calculation Agent and published via data sources as Bloomberg and Thomson Reuters.

The Final Reference Value will be published on the Reuters page: .QUIXDP10 and via Bloomberg: QUIXDP10 <Index> (or the corresponding successor page). Publication will occur on each Index Calculation Day.

The Final Reference Value on 1 December 2015 (the “**Start Date**”) is EUR 1000,-.

### 2. BASE INDEX

The “**Base Index**” is the STOXX® Europe 600 Health Care (Price-) Index (ISIN EU0009658723 / Bloomberg: SXDP Index <go> / Reuters: .SXDP ). The Base Index is owned by STOXX Ltd. (“**Base Index Sponsor**”) and is calculated and published by STOXX Ltd. (“**Base Index Calculation Agent**”).

If the Base Index is no longer suitable to pursue the Index Objective, the Index Sponsor will change the Base Index in its reasonable discretion (§ 315 BGB) (“the **New Base Index**”) such that the pursuance of the essentially unchanged Index Objective remains possible. Such a change must not influence the economic situation of the owners of financial derivatives based on that Index in a substantially negative way. In case of such a change all references to the Base Index in the Index Rules refer to the New Base Index. If necessary, the Base Index Sponsor and the Base Index Calculation Agent need to be adjusted.

### 3. DETERMINATION OF THE PARTICIPATION RATE

The Participation Rate (the “**Participation Rate**”) is calculated by the Index Calculation Agent for each Index Calculation Day (t) (“**P (t)**”) as follows:

$$P(t) = \min \left[ \text{Cap Level}, \frac{\text{TargetVolatility}}{\text{Vol}(t)} \right]$$

“**Cap Level**” is 100%.

“**TargetVolatility**” is 10%

“**Vol(t)**” is the Annualized Realized Volatility (“**Annualized Realized Volatility**”), calculated by the Index Calculation Agent as annualized square root of the arithmetic mean of the squared logarithmic returns of the Base Index over the last N consecutive Calculation Days:

$$Vol(t) = \sqrt{\frac{252}{N} * \sum_{i=1}^N \left[ \ln \left( \frac{BI(t-i-1)}{BI(t-i-2)} \right) \right]^2}$$

with

“**BI (t-i-1)**” being the official closing price of the Base Index at the Calculation Day being i+1 days (i= 1,...,N) before the Index Calculation Day(t).

“**BI (t-i-2)**” being the official closing price of the Base Index at the Calculation Day being i+2 days (i= 1,...,N) before the Index Calculation Day(t).

“**N**” being 60.

#### **4. CALCULATION OF THE FINAL REFERENCE VALUE**

The Index Calculation Agent will calculate the Final Reference Value (the “**Final Reference Value**”) of the Index on each Index Calculation Day (t).

The Final Reference Value (t) (“**FRV(t)**”) on an Index Calculation Day (t) is calculated as follows:

$$FRV(t) = FRV(t-1) * \left[ 1 + P(t) * \left( \frac{BI(t)}{BI(t-1)} - 1 \right) \right]$$

“**FRV(t-1)**” is the Final Reference Value of the Index on the Index Calculation Day being one Calculation Day before the Index Calculation Day (t).

“**BI(t)**” is the official closing price of the Base Index on the corresponding Index Calculation Day (t).

“**BI(t-1)**” is the official closing price of the Base Index one day before the corresponding Index Calculation Day (t).

#### **5. MARKET DISRUPTION**

##### **5.1 Final Reference Value**

In case of a Market Disruption of the Base Index on a Calculation Day, the calculation of the Final Reference Value will be based on the last available Closing Price before the Market Disruption affecting the Base Index became effective. The Participation Rate stays unchanged until the Market Disruption ceases.

##### **5.2 Definition of a Market Disruption**

“**Market Disruption**” with respect to the Base Index means the occurrence or the persistence of one of the following events: (a) a Trading Suspension, (b) an Early Closure, (c) a General Moratorium of Banking Transactions or (d) an Index Disruption.

- a) “**Trading Suspension**” means the suspension or restriction of the trading of derivatives relating to the Base Index on the Relevant Exchange, e.g. caused by price movements exceeding the regulatory limits, or for any other reasons.
- b) “**Early Closure**” means the closing of Relevant Exchange before the regular closing time of a trading day, excluding the case that the early closing was announced by the relevant stock

exchange market in advance such that all market participants were able to adapt their trading behavior accordingly.

- c) “**General Moratorium of Banking Transactions**” means that there is a general moratorium of banking transactions due to a provision of the relevant authorities.
- d) There is an “**Index Disruption**” if it is impossible to determine with reasonable effort a liquid market price for a relevant derivative on the Base Index.

The Index Sponsor decides on the existence of a Market Disruption in his reasonable discretion (§ 315 BGB).

## 6. EXTRAORDINARY ADJUSTMENT OF THE INDEX RULES

If the pursuing of the Index Objective requires changes in the Index Rules due to i) a significant change in the relevant regulatory or legal framework or in taxation, ii) a significant change of law or iii) significantly changed market circumstances, then the Index Sponsor will change the Index Rules in his reasonable discretion such that the pursuing of the essentially unchanged Index Objective remains possible. Such a change must not influence the economic situation of the owners of financial derivatives based on that Index in a substantially negative way.

## 7. TABLE OF RELEVANT EXCHANGES

Underlying Index	Relevant Exchange
STOXX <sup>®</sup> Europe 600 Health Care (Price-) Index	EUREX

## 8. INDEX SPONSOR; INDEX CALCULATION AGENT

The Index Sponsor transferred all rights and duties concerning the calculation of the Final Reference Value to the Index Calculation Agent. The Index Sponsor has the right to nominate a new Index Calculation Agent (the “**New Index Calculation Agent**”) at any time. From that time on all references to the Index Calculation Agent in this description refer to the New Index Calculation Agent.

## 9. DISCLAIMER

The Index exists exclusively in form of database records and does not express any legal or economical ownership of the Base Index or its components. Every action as described above is only executed in the sense of changing these database records. Neither issuers of financial instruments based on the Index nor the Index Calculation Agent nor the Index Sponsor is obligated to neither invest in the Base Index or its components nor to hold them.

The calculation of the Final Reference Value is done by the Index Calculation Agent with due diligence. Neither the Index Sponsor nor the Index Calculation Agent can guarantee the correctness of the market data used for the calculation. Neither the Index Sponsor nor the Index Calculation Agent is liable for direct or indirect losses or damages caused by errors in the market data used to calculate the Final Reference Value.

## C. HVB Global Water Risk Control 6 Index

The HVB Global Water Risk Control 6 Index (the “**Index**”) (ISIN DE000A2BMJH3) is an Index developed and created by UniCredit Bank AG or its legal successor (the “**Index Sponsor**”). The index is calculated in EUR (“**Index Currency**”) according to the following Index rules (“**Index Rules**”) by UniCredit Bank AG or a successor determined by the Index Sponsor (the “**Index Calculation Agent**”). The Index reflects an investment with limited risk into a Base Index (as defined in section 2) which is again based on an algorithmic trading strategy. For risk control purposes the Index participates in the performance of the Base Index with a varying Participation Rate (defined in section 3). The Participation Rate is calculated by the Index Calculation Agent on each Index Calculation Day (as defined in section 1) based on the annualized realized volatility (as defined in section 3). The Index aims at a price development reflecting a risk controlled investment into the Base Index (“**Index Objective**”).

### 1. GENERAL DESCRIPTION

To pursue the Index Objective, the Index Calculation Agent will calculate the Final Reference Value (as defined in section 4) in the Index Currency of the Index on each Calculation Day (each of them being an “**Index Calculation Day**”) based on the closing price of the Base Index and considering the current Participation Rate.

“**Calculation Day**” is each day on which the Base Index Sponsor or the Base Index Calculation Agent publishes a closing price of the Base Index, the Relevant Exchange is open for business and no Market Disruption exists (as defined in section 5).

“**Relevant Exchange**” is specified in section 7.

“**Closing Price**” is the official closing level of the Base Index as calculated by the Base Index Calculation Agent and published via data sources as Bloomberg and Thomson Reuters.

The Final Reference Value will be published on the Reuters page: .QUIXAQ6 and via Bloomberg: QUIXAQ6 <Index> (or the corresponding successor page). Publication will occur on each Index Calculation Day.

The Final Reference Value on 30 September 2016 (the “**Start Date**”) is EUR 1000,-.

### 2. BASE INDEX

The “**Base Index**” is the S&P Global Water (Price-) Index (EUR) (ISIN XC000A0ME6X2 / Bloomberg: SPGTAQE Index <go> / Reuters: .SPGTAQE). The Base Index is owned by S&P Dow Jones Indices LLC (“**Base Index Sponsor**”) and is calculated and published by S&P Dow Jones Indices LLC (“**Base Index Calculation Agent**”).

If the Base Index is no longer suitable to pursue the Index Objective (due to, for example, the occurrence of an Index Event, as defined below), the Index Sponsor will change the Base Index in its reasonable discretion (§ 315 BGB) (“the **New Base Index**”) such that the pursuance of the essentially unchanged Index Objective remains possible. Such a change must not influence the economic situation of the owners of financial derivatives based on that Index in a substantially negative way. In case of such a change all references to the Base Index in the Index Rules refer to the New Base Index. If necessary, the Base Index Sponsor and the Base Index Calculation Agent need to be adjusted.

An „**Index Event**” with respect to the Base Index means in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent any of the following events occurring:

- a) the cancellation of the calculation or publication of the Base Index or its replacement by its sponsor
- b) a change in the index concept or the calculation of the Base Index such that the index concept or the calculation of the new Base Index is no longer economically comparable to the index concept or the calculation of the original Base Index
- c) any other event, which may have a material and not only temporary adverse effect on the Index.

### 3. DETERMINATION OF THE PARTICIPATION RATE

The Participation Rate (the “**Participation Rate**”) is calculated by the Index Calculation Agent for each Index Calculation Day (t) (“**P (t)**”) as follows:

$$P(t) = \min \left[ \text{Cap Level}, \frac{\text{TargetVolatility}}{\text{Vol}(t)} \right]$$

“**Cap Level**” is 100%.

“**TargetVolatility**” is 6%

“**Vol(t)**” is the Annualized Realized Volatility (“**Annualized Realized Volatility**”), calculated by the Index Calculation Agent according to the following formula:

$$\text{Vol}(t) = \sqrt{\frac{252}{N-1}} \times \sqrt{\sum_{i=1}^N \left[ \ln \left( \frac{\text{BI}(t-i-1)}{\text{BI}(t-i-2)} \right) \right]^2 - \frac{1}{N} \left[ \sum_{i=1}^N \ln \left( \frac{\text{BI}(t-i-1)}{\text{BI}(t-i-2)} \right) \right]^2}$$

with

“**BI (t-i-1)**” being the Closing Price of the Base Index at the Calculation Day being i+1 days (i= 1,...,N) before the Index Calculation Day(t).

“**BI (t-i-2)**” being the Closing Price of the Base Index at the Calculation Day being i+2 days (i= 1,...,N) before the Index Calculation Day(t).

“**N**” being 60.

### 4. CALCULATION OF THE FINAL REFERENCE VALUE

The Index Calculation Agent will calculate the Final Reference Value (the “**Final Reference Value**”) of the Index on each Index Calculation Day (t).

The Final Reference Value (t) (“**FRV(t)**”) on an Index Calculation Day (t) is calculated as follows:

$$\text{FRV}(t) = \text{FRV}(t-1) * \left[ 1 + P(t-1) * \left( \frac{\text{BI}(t)}{\text{BI}(t-1)} - 1 \right) \right]$$

“**FRV(t-1)**” is the Final Reference Value of the Index on the Index Calculation Day being one Calculation Day before the Index Calculation Day (t).

“**BI(t)**” is the Closing Price of the Base Index on the corresponding Index Calculation Day (t).

“**BI(t-1)**” is the Closing Price of the Base Index one Calculation Day before the corresponding Index Calculation Day (t).

“**FRV(0)**” is the Final Reference Value on the Start Date and equals EUR 1000.

### 5. MARKET DISRUPTION

#### 5.1 Final Reference Value

In case of a Market Disruption of the Base Index, each day on which the Market Disruption occurs or persists will not be a Calculation Day.

#### 5.2 Definition of a Market Disruption

“**Market Disruption**” with respect to the Base Index means the occurrence or the persistence of one of the following events: (a) a Trading Suspension, (b) an Early Closure, or (c) a General Moratorium of Banking Transactions

e) “**Trading Suspension**” means the suspension or restriction of the trading of stocks which are members of the Base Index on the Relevant Exchange or an Additional Exchange (as specified in section 7), e.g. caused by price movements exceeding the regulatory limits, or for any other reasons.

f) “**Early Closure**” means the closing of the Relevant Exchange or an Additional Exchange before the regular closing time of a trading day, excluding the case that the early closing was

announced by the relevant stock exchange or the additional exchange market in advance such that all market participants were able to adapt their trading behavior accordingly.

- g) “**General Moratorium of Banking Transactions**” means that there is a general moratorium of banking transactions due to a provision of the relevant authorities.

The Index Sponsor decides on the existence of a Market Disruption in his reasonable discretion (§ 315 BGB).

## 6. EXTRAORDINARY ADJUSTMENT OF THE INDEX RULES

If the pursuing of the Index Objective requires changes in the Index Rules due to i) a significant change in the relevant regulatory or legal framework or in taxation, ii) a significant change of law or iii) significantly changed market circumstances, then the Index Sponsor will change the Index Rules in his reasonable discretion such that the pursuing of the essentially unchanged Index Objective remains possible. Such a change must not influence the economic situation of the owners of financial derivatives based on that Index in a substantially negative way.

## 7. TABLE OF RELEVANT EXCHANGES

Underlying Index	Relevant Exchange	Additional Exchanges
S&P Global Water (Price-) Index (EUR)	XETRA	Hong Kong Stock Exchange, New York Stock Exchange

## 8. INDEX SPONSOR; INDEX CALCULATION AGENT

The Index Sponsor transferred all rights and duties concerning the calculation of the Final Reference Value to the Index Calculation Agent. The Index Sponsor has the right to nominate a new Index Calculation Agent (the “**New Index Calculation Agent**”) at any time. From that time on all references to the Index Calculation Agent in this description refer to the New Index Calculation Agent.

## 9. DISCLAIMER

The Index exists exclusively in form of database records and does not express any legal or economical ownership of the Base Index or its components. Every action as described above is only executed in the sense of changing these database records. Neither issuers of financial instruments based on the Index nor the Index Calculation Agent nor the Index Sponsor is obligated to neither invest in the Base Index or its components nor to hold them.

The calculation of the Final Reference Value is done by the Index Calculation Agent with due diligence. Neither the Index Sponsor nor the Index Calculation Agent can guarantee the correctness of the market data used for the calculation. Neither the Index Sponsor nor the Index Calculation Agent is liable for direct or indirect losses or damages caused by errors in the market data used to calculate the Final Reference Value.

## D. UniCredit Multi Asset Trend IV Index

### 1. General Description

The UniCredit Multi Asset Trend IV Index (the “**Index**”) (ISIN: DE000A2BMQ56; WKN: A2BMQ5), developed and designed by UniCredit Bank AG or its legal successor (the “**Index Sponsor**”), is an index calculated by UniCredit Bank AG or a legal successor determined by the Index Sponsor (the “**Index Calculation Agent**”) in Euro (the “**Index Currency**”), applying the rules (“**Index Rules**”) outlined below.

The Index shall replicate the performance of an investment with limited risk into a weighted basket of underlying indices, exchange traded funds (“**ETFs**”) and a cash component (as defined in section 3.1; together the “**Basket Constituents**”) reduced by a Synthetic Dividend (as defined in section 6). The Basket (as defined in section 3.1) is reweighted monthly, based on an algorithmic trading strategy, more precisely an optimized multi-asset-momentum-strategy with fixed target volatility (the “**Strategy**”). For risk control purposes, the Index participates with a variable Participation Rate (as defined in section 5) in the performance of the Basket Value (as defined in section 4). The Participation Rate is determined newly on each Index Calculation Day based on the annualized volatility (as defined in section 5). The index aims to participate in the performance of the Basket Value while controlling the frequency and intensity of the value fluctuations (volatility) of the Basket (the “**Index Objective**”).

To pursue the Index Objective, the Index Value (as defined in section 6) is calculated on each Index Calculation Day (as defined in section 6) and is based on the Closing Prices of the Basket Constituents in consideration of their respective Target Weights (as defined in section 3.2.1), the Participation Rate and by subtracting a Synthetic Dividend of 1.8% p.a. (as defined in section 6). The target volatility of the Strategy is 6%.

The Index Value shall be calculated on each Index Calculation Day at the Calculation Time by the Index Calculation Agent in the Index Currency.

“**Index Calculation Day**” is each day on which the Relevant Exchange(s) and the Relevant Futures Exchange(s) (as defined in section 3.1) of all Basket Constituents with positive weights (i.e. weights greater than zero) are open for business. If an ETF Basket Constituent has a positive weight, it must be possible to issue and redeem shares of the respective ETF as described in the respective ETF Documents.

“**Calculation Time**” is the time at which Closing Prices for all relevant Basket Constituents are available on a relevant day.

“**Closing Price**” of a Basket Constituent is (i) for an Underlying Index: the closing price as determined by the Relevant Exchange and published on data sources such as Bloomberg or Reuters, and (ii) for an ETF: the net asset value (NAV) as determined by the management company and published on data sources such as Bloomberg or Reuters. In case of a Compo Basket Constituent the conversion in the Index Currency is based on the exchange rates as defined in section 3.1.

The current Index Value and the weights of the Basket Constituents shall be published on each Index Calculation Day on [www.onemarkets.de](http://www.onemarkets.de) or a successor website. Furthermore, the Index Value shall be published via Bloomberg (QUIXMAT4 <Index>) and Reuters (.QUIXMAT4).

Any determination made by the Index Sponsor and the Index Calculation Agent in their reasonable discretion (§ 315 BGB) shall be published on [www.onemarkets.de](http://www.onemarkets.de) or a successor website.

The Index Value” as of 15 December 2014 (the “**Index Start Date**”) was EUR 1,000 (“**Index Start Value**”).

## 2. Investment Universe

The “**Investment Universe**“ consists of the Basket (as defined in section 3.1).

If the suitability of the Investment Universe to pursue the Index Objective is no longer given, the Index Calculation Agent shall change the Investment Universe in its reasonable discretion (§ 315 BGB) in such a way that a substantially unchanged pursuit of the Index Objective remains possible. Such a change must not significantly adversely affect the economic situation of holders of any financial products linked to the Index.

## 3. Composition of the Basket and Weights of the Basket Constituents

### 3.1 Composition

The basket (the “**Basket**”) is composed of Underlying Indices (“**Underlying Indices**”) as well as ETFs as “**Index Components**” (Basket Constituents  $i = 1 - 17$ ) and a cash component (Basket Constituent  $i = 18$ ).

The “**Cash Component**” is a synthetic cash position in the Index Currency, which shall be invested into the EONIA UCITS ETF.

#	Basket Constituent	Bloomberg	Reuters	Cap Limit	(i) Relevant Exchange	(ii) Relevant Futures Exchange
1	ESTX 50 € NRt	SX5T Index	.STOXX50E R	$w_1 \leq 30\%$	EUREX	EUREX
2	DAX INDEX	DAX Index	.GDAXI	$w_2 \leq 30\%$	XETRA	EUREX
3	FTSE 100 TR GBP	TUKXG Index	.TFTSE	$w_3 \leq 30\%$	LSE	ICE Futures Europe Financials
4	SMI GROSS TOTAL RETURN	SMIC Index	.SMIC	$w_4 \leq 10\%$	SIX	EUREX
5	S&P 500 Net TR	SPTR500N Index	.SPXNTR	$w_5 \leq 30\%$	NYSE	CME
6	NASDAQ 100 TOTAL RETURN	XNDX Index	.XNDX	$w_6 \leq 30\%$	NASDAQ	CME
7	Lyxor ETF Hong Kong (HSI)	LYXHSI GY Equity	LYXHSI.DE	$w_7 \leq 30\%$	XETRA, HKSE	HKFE
8	FTSE E/N EuroZoneNet TRI	RPEU Index	.TFTEPEUL	$w_8 \leq 15\%$	ICE	ICE Futures Europe Financials
9	ISHARES GVT GMNY 1.5-2.5 DE	RXP1EX GY Equity	RXP1EX.DE	$w_9 + w_{10} + w_{11} \leq 30\%$	XETRA	EUREX
10	ISHARES USD TREASURY BND 1- 3	IUSU GY Equity	IUSU.DE		XETRA	CBOT
11	ISHARES EURO GOV BND 1-3	IBCA GY Equity	IBCA.DE		XETRA	EUREX
12	ISHR GVT GERMANY 2.5-5.5 DE	RXP2EX GY Equity	RXP2EX.DE	$w_{12} + w_{13} \leq 30\%$	XETRA	EUREX
13	ISHARES EURO GOV BND 3-5	IBCN GY Equity	IBCN.DE		XETRA	EUREX
14	ISHAR GVT GMNY 5.5-10.5YR DE	RXP5EX GY Equity	RXP5EX.DE	$w_{14} + w_{15} + w_{16} \leq 30\%$	XETRA	EUREX
15	ISHARES USD	IUSM GY	IUSM.DE		XETRA	CBOT

	TREASURY BND7-10	Equity				
16	ISHARES EURO GOV BND 7-10	IBCM GY Equity	IBCM.DE		XETRA	EUREX
17	COMSTAGE ETF COM X-AGRI TR-I	CBCOMM GY Equity	CBCOMMO. DE	$w_{17} \leq 15\%$	XETRA	CME, ICE, NYSE-Liffe, LME
18	EONIA UCITS ETF	XEON GY Equity	XEON.DE	$w_{18} \leq 100\%$	XETRA	EUREX

Basket Constituents where the price is not indicated in the Index Currency shall be converted on each Index Calculation Day into the Index Currency on the basis of the Foreign Exchange Rate of the Basket Constituents currencies (“**Compo Basket Constituent**”). The “**Foreign Exchange Rate**” equals the WM/Reuters fixing rate as published on the respective Index Calculation Day as it is available on the respective Index Calculation Day immediately after the closing of trading of all Basket Constituents (i.e. immediately after the closure of all Relevant Exchanges). If WM/Reuters does not publish the fixing rate on such Index Calculation Day, the Index Calculation Agent shall determine the relevant Foreign Exchange Rate in its reasonable discretion (§ 315 BGB). With respect to the calculation of the Index, each reference to a Basket Constituent shall be considered as a reference to the Compo Basket Constituent.

In case that an ETF distributes dividends, the net proceedings of the distributions after deduction of taxes which would be received by a German institution within the meaning of section 1 para. 1b of the German Banking Act (I (KWG)) (“**Institution**”) shall be reinvested into the Cash Component such that the Effective Quantity (as defined in section 3.2.4) of the Cash Component on the ex-date of the dividend increases.

### 3.2 Weights

On each Selection Day, the Target Weights of the Basket Constituents are newly determined (see section 3.2.1). In the immediately following Investment Period, the current Weights of the Basket Constituents shall be adjusted during the Implementation Period such that they approximate the Target Weights to the extent practicable (see section 3.2.2).

“**Investment Period**“ is each consecutive one month period, starting on the Index Start Date.

“**Index Optimization Day**“ is each calendar day on which all Relevant Exchanges and all Relevant Futures Exchanges (as defined in section 3.1) of the Basket Constituents are open for business and on which it is possible to issue and redeem ETF shares as described in the respective ETF Documents.

“**Selection Day**“ is the Index Optimization Day before the last Index Optimization Day of each investment period, starting on 11 December 2014 (“**Initial Selection Day**”).

“**Implementation Period**“ consists of the first L Index Calculation Days of the Investment Period immediately following the Selection Day, where all Relevant Exchanges and all Relevant Futures Exchanges of all Basket Constituents with positive weights (i.e. weights larger than zero) are open for business during regular trading hours.

“**Implementation Day**“ is each Index Calculation Day within the respective Implementation Period where all Relevant Exchanges and all Relevant Futures Exchanges of all Basket Constituents with positive weights (i.e. weights larger than zero) are open for business during regular trading hours. For the avoidance of doubt: For the determination of the first respective Implementation Day, all Basket Constituents with a positive weight *before* the implementation are relevant. For the determination of the remaining Implementation Days, all Basket Constituents with a positive weight *before and after* the implementation are relevant.

“L” is the length of the Implementation Period; it can be 2, 3 or 4 days and is determined as follows:

- (i) If the outstanding investment volume of all investment products referring to the Index on the respective Selection Day is lower than Euro 300 million, L is equal to two Implementation Days (L=2).
- (ii) If the outstanding investment volume of all investment products referring to the Index on the respective Selection Day is equal to or greater than Euro 300 million and lower than EURO 600 million, L is equal to three Implementation Days (L=3).
- (iii) If the outstanding investment volume of all investment products referring to the Index on the respective Selection Day is equal to or greater than Euro 600 million, L is equal to four Implementation Days (L=4).

In detail, the Index Calculation Agent shall proceed as follows:

### 3.2.1 Target Weights

The Index Calculation Agent determines the target weights  $\omega_i^{\text{optimized}}$  (the “Target Weights”) on each Selection Day at the Calculation Time.

The Target Weights are the percentage share which each Basket Constituent should have in the Basket after implementation at the end of the Implementation Period.

The Target Weights are determined by the Index Calculation Agent based on annualized average return  $R_i$  and the annualized covariance  $\sigma_{i,j}$  of each Basket Constituent, to achieve an optimal risk-return profile taking in consideration a fix target volatility of the Strategy of 6%, a total sum of Target Weights of 100% and the Cap Limits of the Target Weights.

In detail, let

$\omega = (\omega_1, \dots, \omega_{18})^T \in [0, \infty]^{18}$  be an allocation vector for the Investment Universe.

On the Initial Selection Day  $t$  the allocation vector of the selection process  $\omega^{\text{optimized initial}}$  is determined as the solution to the following optimization problem:

$$\max(R(t)^T \omega)$$

such that  $\sqrt{\omega^T \Sigma(t) \omega} \leq 0.06$ ,  $\omega^T \mathbf{1} = 1$  and  $\omega$  fulfills all Cap Limits

On all other Selection Days  $t$  the allocation vector of the selection process  $\omega^{\text{optimized}}$  is determined as the solution to the following optimization problem:

$$\max\left(R(t)^T \omega - \frac{\lambda}{2} \left(\omega - \omega_{pre}^{\text{optimized}}\right)^T \left(\omega - \omega_{pre}^{\text{optimized}}\right)\right)$$

such that  $\sqrt{\omega^T \Sigma(t) \omega} \leq 0.06$ ,  $\omega^T \mathbf{1} = 1$  and  $\omega$  fulfills all Cap Limits

Here,

R is the return vector with  $R = (R_1, \dots, R_i, \dots, R_{18})^T$

$R_i$  is the arithmetic mean of the annualized (i.e. multiplied by 12, 6, 4, 3, 12/5, 2) returns of Basket Constituent  $i$  for the previous respectively 21, 42, 63, 84, 105 und 126 Index Optimization Days before and including the Selection Day (the period of 126 Index Optimization Days is the “Selection Period”).

$\lambda = 1$  is the “Regularization Parameter” (set to 1)

$\omega_{pre}^{\text{optimized}}$  is the allocation vector that was obtained from solving the optimization problem for the Investment Period that includes the Selection Day (i.e. the Target Weights of the previous reweighting)

$\Sigma = \sigma_{i,j}$  is the Variance-Covariance-Matrix for  $i, j \in (1, \dots, 18)$

$\sigma_{i,j}$  is the annualized (i.e. multiplied by 252/3) covariance, which is calculated based on 3-day rolling logreturns of Basket Constituent i and Basket Constituent j, for all Index Optimization Days within the Selection Period (i.e. 123 continuous 3-day-returns are used for the calculation).

T Transpose

“**Basket Constituent i**“ are the Basket Constituents with  $i = 1, \dots, 18$

The Weights of Basket Components i may be positive or zero (0).

If case that a weighting is not possible pursuant to the rules outlined above, an Extraordinary Adjustment of the Index Rules shall take place.

### 3.2.2 Implementation

During the respective Implementation Period the Index Calculation Agent adjusts the Weights of the Basket Constituents on the Implementation Days such that at the end of the Implementation Period, the Weights approximate the Target Weights to the extent practicable. At the same time, the Index Calculation Agent shall take care that the turnover in the respective Basket Constituents traded at the respective Relevant Exchange is distributed over several days. Doing so, such investment volumes of Basket Constituents shall be taken into account which an Institution issuing financial products linked to the Index would have to trade in order to hedge the risks of the issuance of such financial products (“**Hedging**”).

For this purpose, the Effective Quantity (as defined in section 3.2.4) of each Basket Constituent shall be adjusted based on the new Target Weights, the Closing Prices of the Basket Constituents, the Basket Value and the Net Proceeds released through the reweighting.

In detail:

The net quantity (the “**Net Quantity**“) describes the Effective Quantity  $Q_i$  of each Basket Constituent at the Calculation Time on each Selection Day. Moreover, the theoretical quantity of each Basket Constituent at the Calculation Time is calculated taking in consideration the new Target Weights as defined in section 3.2.1 (the “**Target Quantity**”). The lower of both quantities is defined as reduced quantity (the “**Reduced Quantity**“):

$$Q_i^{\text{theo}} = \frac{B_s \times \omega_i^{\text{optimized}}}{P_i^s},$$

$$Q_i^d = \min(Q_i^{\text{net}}, Q_i^{\text{theo}})$$

where

$B_s$  is the Basket Value on the Selection Day

$P_i^s$  is the Closing Price of the respective Basket Constituent on the Selection Day

$Q_i^d$  is the Reduced Quantity

$Q_i^{\text{net}}$  is the Net Quantity

$Q_i^{\text{theo}}$  is the Target Quantity

At the Calculation Time of the r-th Implementation Day the Effective Quantity of each Basket Constituent is defined as

$$Q_i^r = Q_i^{r-1} - I_{\{1, \dots, L-1\}}^r \times \left( \frac{Q_i^{\text{net}} - Q_i^d}{L-1} \right) + \left( \frac{P_{18}^r}{P_{18}^{r-1}} \right) \times \frac{\text{Net Proceeds}_{r-1}}{P_i^r} \times \frac{\max(0, \omega_i^{\text{optimized}} - \omega_i^{r-1})}{\sum_{j=1}^{18} \max(0, \omega_j^{\text{optimized}} - \omega_j^{r-1})},$$

where

$$Q_i^0 = Q_i^{\text{net}}$$

$i$  is the Basket Constituent 1, ..., 18

$r$  is the Implementation Day 1, ..., L

$I_{\{1, \dots, L-1\}}^r$  is an indicator function, i.e.  $I = 0$  for  $r = L$ , else  $I = 1$

$P_i^r$  is the Closing Price of Basket Constituent  $i$  at the Implementation Day  $r$  (with  $P_i^0 = 1$ )

$\omega_i^r = Q_i^r \times \frac{P_i^r}{B_r}$  is the weight of Basket Constituent  $i$  at Implementation Day  $r$  (with  $\omega_i^0 = 0$ )

$B_r$  is the Basket Value on each Implementation Day  $r$

“**Net Proceeds**” is the amount released in the transactions on Implementation Day  $r$  and is calculated as followed:

$$\text{Net Proceeds}_r = \sum_i \left( \frac{Q_i^{\text{net}} - Q_i^d}{L-1} \right) \times P_i^r \quad (\text{with Net Proceeds}_0 = 0)$$

The Net Proceeds is invested immediately after the Calculation Time into the Cash Component ( $i = 18$ ) on each except the last Implementation Day. The total quantity of the Cash Component immediately after the Calculation Time on Implementation Day  $r$  is therefore:

$$Q_{18}^{r, \text{total}} = Q_{18}^r + \frac{\text{Net Proceeds}_r}{P_{18}^r}, \quad \text{with } r = 1, \dots, L-1$$

For the avoidance of doubt:

To calculate the Basket Value on each except the last Implementation Day the total quantity  $Q_{18}^{r, \text{total}}$  is used (and not  $Q_{18}^r$ ).

On the first Implementation Day only “sell” transactions are executed, on the last Implementation Day only “buy” transactions are executed.

Once the implementation is complete, the Effective Quantity on the last Implementation Day  $Q_i^L$  becomes the Effective Quantity  $Q_i$ .

### 3.2.3 Effective Quantity

The Effective Quantity  $Q_i$  (the “**Effective Quantity**”) is the quantity of the respective Basket Constituent in the Basket after the Implementation.

The Effective Quantity for the first investment period (“**Initial Quantity**”) is calculated as follows:

$$Q_i^{\text{initial}} = \frac{\text{Index}_{\text{initial}} \times \omega_i^{\text{optimized initial}}}{P_i^{\text{initial}}},$$

where

$Q_i^{\text{initial}}$  denotes the Initial Quantity

$\text{Index}_{\text{initial}}$  denotes the Index Start Value

$P_i^{\text{initial}}$  denotes the Closing Price of the respective Basket Constituent on the Index Start Date.

### 3.3 Extraordinary Reweighting

The Index Calculation Agent may undertake an extraordinary Index reweighting on any Index Optimization Day according to the procedure described in section 3.2 if the Effective Quantity does not reflect the current market situation due to changes in the market environment. The Index Calculation Agent decides in its reasonable discretion (§ 315 BGB) whether this is the case. An extraordinary reweighting must not significantly adversely affect the economic situation of holders of financial products linked to the Index.

### 4. Calculation of the Basket Value

The “**Basket Value**” for an Index Calculation Day  $t$  is equal to the sum of the products of each Basket Constituent of (a) the Effective Quantity of the respective Basket Constituent times (b) the Closing Price of the respective Basket Constituent

or, expressed as a formula:

$$B(t) = \sum_{i=1}^{18} Q_i(t) \times P_i(t)$$

where,

$Q_i(t)$  is the Effective Quantity of the respective Basket Constituent on the Index Calculation Day  $t$

$P_i(t)$  is the Closing Price of the respective Basket Constituent on the Index Calculation Day  $t$

The Basket Value is rounded to two decimals, whereby 0.005 is rounded up.

### 5. Determination of the Participation Rate

The Participation Rate is determined by the Index Calculation Agent based on the realized volatility of the Basket (“**Basket Volatility**”).

On each Index Calculation Day  $t_j$  (with  $j = 0, 1, 2, \dots$ ) the Basket Volatility is determined based on the daily return of the Basket over a period of 61 Index Calculation Days and then annualized. The respective period starts 62 Index Calculation Days before the respective Index Calculation Day and ends two Index Calculation Days before the respective Index Calculation Day. Return denotes the logarithm of the change of the Basket Value between two respectively consecutive Index Calculation Days.

$$\sigma_R(t_j) = \begin{cases} 6\% & \text{for } j = 0, 1, \dots, 61 \\ \sqrt{\frac{\sum_{p=0}^{59} \left( \text{Ln} \left[ \frac{B(t_{j-p-2})}{B(t_{j-p-3})} \right] \right)^2 - \frac{1}{60} \left( \sum_{p=0}^{59} \text{Ln} \left[ \frac{B(t_{j-p-2})}{B(t_{j-p-3})} \right] \right)^2}{59}} * \sqrt{252} & \text{for } j \geq 62 \end{cases}$$

where “Ln[ ]” is defined to be the natural logarithm of [ ].

The Index Calculation Agent determines on each Index Calculation Day  $t_j$  the Participation Rate  $PR(t_j)$  based on the Basket Volatility  $\sigma_R(t_j)$  pursuant to the following allocation table. The higher the Basket Volatility the lower the Participation Rates and vice versa.

Allocation table

Basket Volatility $\sigma_R(t_j)$	Participation Rate $PR(t_j)$
$\sigma_R(t_j) < 8.00\%$	100.00%
$8.00\% \leq \sigma_R(t_j) < 8.25\%$	96.00%
$8.25\% \leq \sigma_R(t_j) < 8.50\%$	92.00%
$8.50\% \leq \sigma_R(t_j) < 8.75\%$	90.00%
$8.75\% \leq \sigma_R(t_j) < 9.00\%$	87.00%
$9.00\% \leq \sigma_R(t_j) < 9.25\%$	85.00%
$9.25\% \leq \sigma_R(t_j) < 9.50\%$	82.00%
$9.50\% \leq \sigma_R(t_j) < 9.75\%$	80.00%
$9.75\% \leq \sigma_R(t_j) < 10.00\%$	78.00%
$10.00\% \leq \sigma_R(t_j) < 10.50\%$	74.00%
$10.50\% \leq \sigma_R(t_j) < 11.00\%$	70.00%
$11.00\% \leq \sigma_R(t_j) < 11.50\%$	66.00%
$11.50\% \leq \sigma_R(t_j) < 12.00\%$	63.00%
$12.00\% \leq \sigma_R(t_j) < 12.50\%$	61.00%
$12.50\% \leq \sigma_R(t_j) < 13.00\%$	58.00%
$13.00\% \leq \sigma_R(t_j) < 13.50\%$	56.00%
$13.50\% \leq \sigma_R(t_j) < 14.00\%$	54.00%
$14.00\% \leq \sigma_R(t_j) < 14.50\%$	52.00%
$14.50\% \leq \sigma_R(t_j) < 15.00\%$	50.00%
$15.00\% \leq \sigma_R(t_j) < 16.00\%$	46.00%
$16.00\% \leq \sigma_R(t_j) < 17.00\%$	43.00%
$17.00\% \leq \sigma_R(t_j) < 18.00\%$	41.00%
$18.00\% \leq \sigma_R(t_j) < 19.00\%$	38.00%
$19.00\% \leq \sigma_R(t_j) < 20.00\%$	36.00%
$20.00\% \leq \sigma_R(t_j) < 21.00\%$	35.00%
$21.00\% \leq \sigma_R(t_j) < 22.00\%$	30.00%

$22.00\% \leq \sigma_R(t_j) < 23.00\%$	25.00%
$23.00\% \leq \sigma_R(t_j) < 24.00\%$	20.00%
$24.00\% \leq \sigma_R(t_j) < 25.00\%$	15.00%
$25.00\% \leq \sigma_R(t_j) < 26.00\%$	10.00%
$26.00\% \leq \sigma_R(t_j) < 27.00\%$	5.00%
$27.00\% \leq \sigma_R(t_j)$	0.00%

## 6. Calculation of the Index Value

The Index Calculation Agent calculates on each Index Calculation Day  $t_j$  (with  $j = 1, 2, \dots$ ) following the Index Start Date) the index value (the “**Index Value**”, “**Index( $t_j$ )**”) based on the following formula:

$$\begin{aligned} Index(t_j) = & Index(t_{j-1}) \\ & \times \left( 1 - \frac{Div}{360} \times \Delta(t_{j-1}, t_j) + PR(t_{j-1}) \times Return_1(t_j) + (1 - PR(t_{j-1})) \right. \\ & \left. \times Return_2(t_j) \right) \end{aligned}$$

where

$Index(t_{j-1})$  denotes the Index Value on the previous Index Calculation Day

$\frac{Div}{360} \times \Delta(t_{j-1}, t_j)$  denotes the pro rata Synthetic Dividend since the previous Index Calculation Day

with

“**Synthetic Dividend**” equals 1.8% p.a. referring to the Index Value on the previous Index Calculation Day

Div = 1.8%

$\Delta(t_{j-1}, t_j)$  is the number of calendar days from Index Calculation Day  $t_{j-1}$  (excluding) until Index Calculation Day  $t_j$  (including)

$PR(t_{j-1})$  denotes the Participation Rate as determined for Index Calculation Day  $t_{j-1}$

$Return_1(t_j)$  denotes the performance of the Basket since the previous Index Calculation Day and is calculated as follows:

$$Return_1(t_j) = \frac{B(t_j) - B(t_{j-1})}{B(t_{j-1})}$$

$Return_2(t_j)$  denotes the performance of the Cash Component since the previous Index Calculation Day and is determined as follows:

$$Return_2(t_j) = \frac{P_{18}(t_j) - P_{18}(t_{j-1})}{P_{18}(t_{j-1})}$$

The Index Value is rounded to two decimals, whereby 0.005 is rounded up.

## 7. Market Disruption

### 7.1 Reweighting

In case a Market Disruption occurs on an Implementation Day, the respective Implementation Day is postponed to the next Index Calculation Day where the Market Disruption ceases to exist, and the following Implementation Days of the Implementation Period are postponed accordingly. If the Market Disruption lasts for five (5) consecutive Index Calculation Days, (i) the fifth Index Calculation Day is determined as the Implementation Day and the following Implementation Days of the Implementation Period are postponed accordingly, and (ii) the reweighting according to section 3.2 is implemented such that the Effective Quantity of the Basket Constituent affected by the Market Disruption remains unchanged in comparison with the respective previous Implementation Day. If the unchanged Effective Quantity of the respective Basket Constituent affected by the Market Disruption is lower than the Effective Quantity that should have been originally reached on the Implementation Day, the Effective Quantity of the Cash Component shall be increased proportionally. However, if the unchanged Effective Quantity of the respective Basket Constituent affected by the Market Disruption is higher than the Effective Quantity that should have been originally reached on the Implementation Day, the remaining Effective Quantities of all other Basket Constituents shall be reduced proportionally.

### 7.2 Index Value

If a Basket Constituent is affected by a Market Disruption on any Index Calculation Day the last available price before the Market Disruption is used for the calculation of the Index Value.

If this price is not market compliant or not suitable for any other reason, the market compliant price of the Basket Constituent is used. It is estimated by the Index Calculation Agent in its reasonable discretion (§ 315 BGB).

### 7.3 Definition of Market Disruption

A market disruption (a “**Market Disruption**”) shall be deemed to have occurred if and so long as any Basket Constituent is affected by a Market Disruption Event.

A “**Market Disruption Event**” means any of the following events occurring:

- a) the quotation of the Basket Constituent or the constituents of an Underlying Index is suspended, limited or restricted by the Relevant Exchange, due to price movements exceeding the limits of the Relevant Exchange or for any other reason;
- b) the quotation of a derivative on the Basket Constituent is suspended, limited or restricted by the Relevant Futures Exchange, due to price movements exceeding the limits of the Relevant Futures Exchange or for any other reason;
- c) the quotation of ETFs or securities (e.g. index tracker certificates) reflecting the Basket Constituent is suspended, limited or restricted by the Relevant Exchanges or any other market place where such ETFs/securities are traded or by the Relevant Futures Exchanges or any other market place where derivatives of such ETFs are traded, due to price movements exceeding the limits of the Relevant Exchange or Relevant Futures Exchanges or market provider or for any other reason;
- d) the price of the Basket Constituent is not published due to any decision by the responsible institution for the calculation and/or publication of the net asset value (for ETFs) or value.

The Index Calculation Agent shall decide in its reasonable discretion (§ 315 BGB) whether a Market Disruption Event has occurred or not.

## 8. Extraordinary Adjustments of the Index Rules

If pursuing the Index Objective requires a change in the Index Rules due to (i) a significant change in the relevant regulatory or legal framework or taxation, (ii) a significant change in case law or (iii) substantially altered market circumstances, the Index Sponsor shall amend the Index Rules in its reasonable discretion (§ 315 BGB) in such a way that a substantially unchanged pursuit of the Index Objective remains possible. It may also undertake an extraordinary reweighting according to section 3.3. Such a change in the Index Rules must not significantly adversely affect the economic situation of the holders of financial products linked to the Index.

In the case of a Fund Event, an Index Event or other serious circumstances, the affected Basket Constituents are replaced by constituents of an economically equivalent asset class and/or investment strategy if pursuing the Index Objective is significantly affected by the Fund Event, Index Event or the other serious circumstances. This substitution is carried out by the Index Calculation Agent in its reasonable discretion (§ 315 BGB). In this context, each ETF affected by the Fund Event may be replaced by a an ETF of a comparable asset class and / or investment strategy or by its benchmark index or an extraordinary reweighting can be carried out according to section 3.3. The economic situation of the holders of financial products linked to the Index must not be changed substantially adversely by taking measures described in this paragraph.

“**Fund Event**“ with respect to the Basket Constituents which are ETFs means in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent any of the following events occurring:

- (a) changes are made in one of the ETF Documents which affect the ability of the ETF for the hedging, in particular changes with respect to (i) the risk profile of the ETF, (ii) the investment objectives or investment strategy or investment restrictions of the ETF, (iii) the currency of the ETF shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the ETF shares;
- (b) requests for the issue, redemption or transfer of ETF 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 ETF shares (other than the fees, premiums, discounts, charges, commissions, taxes or similar fees already charged before the Index Start Date) or the running fees are changed;
- (d) the ETF or the management company or the provider of ETF services appointed for this purpose by the ETF or the management company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the ETF Documents;
- (e) a change in the legal form of the ETF;
- (f) a change of significant individuals in key positions at the management company or in the ETF Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the ETF or of the management company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the ETF or of the management company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the ETF 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 ETF, the management company or an ETF Services Provider, or of individuals in key positions at the management company or in the ETF Management as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the ETF or the management company of the investment objectives, the investment strategy or the investment restrictions of the ETF (as defined in the ETF

Documents), or a breach of statutory or regulatory requirements by the ETF or the management company;

- (i) a change in laws or regulations or exchange rules or in their implementation or interpretation (whether formally or informally) which requires an Institution issuing financial products linked to the Index, in relation to the subscription, redemption or holding of ETF shares, (i) to create a reserve or provision, or (ii) to significantly 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 financial products in comparison with the conditions applying on the Index Start Date;
- (j) a change in laws or regulations or exchange rules or in their implementation or interpretation (whether formally or informally) as a result of which compliance by an Institution issuing financial products linked to the Index with the terms of the agreements it has entered into for the purpose of hedging its obligations under the financial products would become unlawful or impracticable or would entail substantially higher costs;
- (k) the proportion of the volume held by an Institution issuing financial products linked to the Index for hedging purposes increases beyond 20% of the ETF shares outstanding;
- (l) an Institution issuing financial products linked to the Index and purchases ETF shares for hedging purposes is required to consolidate the ETF as a result of accounting or other regulations;
- (m) the sale or redemption of the ETF shares for reasons beyond the control of an Institution issuing financial products linked to the Index and holds ETF shares for hedging purposes, and not relating to the financial products, 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 ETF shares or of the redemption or tradability of existing ETF shares or (ii) the reduction of the number of ETF shares of a shareholder in the ETF for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the ETF shares or (iv) payments in respect of a redemption of ETF shares being made in whole or in part 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 ETF Services Provider discontinues its services for the ETF or loses its accreditation, registration, approval or authorisation 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;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the ETF or the ETF 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 ETF or the merger of the ETF into or with another fund (e.g. ETF), (iii) a requirement to transfer all the ETF shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the ETF shares by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the ETF or the management company;
- (r) the Index Sponsor loses the right to use the ETF share as the Basket Constituent;
- (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 an Institution issuing

financial products linked to the Index or a holder of financial products linked to the Index in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent;

- (t) no notification is given of the basis of taxation for the ETF in accordance with the applicable provisions of the German Investment Tax Act (Investmentsteuergesetz, “InvStG”) or the ETF or the management company has announced that no notification of the bases of taxation shall be given in accordance with the applicable provisions of the InvStG in the future;
- (u) changes in the investment or distribution policy of the ETF which could have a substantial negative effect on the amount of the ETF's distributions as well as distributions which diverge significantly from the ETF's normal distribution policy to date;
- (v) the ETF or the management company or a company affiliated to it breaches the agreement in relation to the ETF entered into with the Index Sponsor or an Institution issuing financial products linked to the Index in a significant respect or terminates that agreement;
- (w) the ETF or the management company, contrary to normal practice to date, fails to provide the Index Calculation Agent, the Index Sponsor or an Institution issuing financial products linked to the Index with information that such person reasonably considers necessary to enable it to monitor compliance with the ETF's investment guidelines or restrictions in a timely manner;
- (x) the ETF or the management company fails to provide the Index Calculation Agent, the Index Sponsor or an Institution issuing financial products linked to the Index 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 ETF or the ability of an Institution issuing financial products linked to the Index to hedge its obligations under the financial products linked to the Index on more than a temporary basis;
- (z) the NAV is no longer published in the underlying currency;
- (aa) the quotation of the ETF or the ETF shares at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent no substitute relevant exchange could be determined;
- (bb) the performance of the ETF is on five consecutive trading days higher than the performance of the index underlying the ETF, based on the closing prices.

“**ETF Services Provider**“ means in respect of an ETF, if available, the Auditor, the Administrator, the Investment Adviser, the Portfolio Manager, the Custodian Bank and the management company.

“**ETF Documents**“ means, in relation to the ETF, 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, 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 ETF and of the ETF shares are specified.

“**ETF Management**“ means the persons responsible for the portfolio and/or risk management of the ETF.

“**Index Event**“ means with respect to the Basket Constituents which are Underlying Indices any of the following events occurring:

the cancellation of the calculation or publication of an Underlying Index or its replacement by its sponsor

a change in the index concept or the calculation of an Underlying Index such that the new index concept or the calculation of the new Underlying Index is no longer economically equivalent to the original index concept or the calculation of the original Underlying Index; the Index Calculation Agent determines in its reasonable discretion (§ 315 BGB) whether this is the case;

any other event, which may have a material and not only temporary adverse effect on the Underlying Index; the Index Calculation Agent determines in its reasonable discretion (§ 315 BGB) whether this is the case.

#### **9. Index Sponsor; Index Calculation Agent**

The Index Sponsor has assigned all rights and duties with regard to the Index to the Index Calculation Agent. Moreover, the Index Sponsor is at any time authorized to select in its reasonable discretion (§ 315 BGB) a new Index Calculation Agent (the “**New Index Calculation Agent**”), whereas each reference in this description to the Index Calculation Agent shall be deemed as a reference to the New Index Calculation Agent.

#### **10. Disclaimer**

The Index and the Basket takes the form solely of a set of records and does not convey any direct, indirect or beneficial interest in the Index Components. Any action specified above in respect of the Index shall be effected solely on a theoretical basis by an amendment to such records. Neither Institutions issuing financial instruments linked to the Index nor the Index Calculation Agent is obliged to actually invest or hold an interest in the Index Components.

The calculation of the Index Value and the weights of the Basket Constituents will be performed by the Index Calculation Agent with all due care. However, neither the Index Sponsor nor the Index Calculation Agent give any representation or guarantee for the correctness of the market data underlying the calculation of the Index Value. Neither the Index Sponsor nor the Index Calculation Agent accepts any liability for any direct or indirect damage which may result from an incorrect calculation of the market data underlying the calculation of the Index Value.

## E. HVB Robotics Fund Risk Control 9 Index

The following Index Description outlines the key data for the HVB Robotics Fund Risk Control 9 Index compiled by UniCredit Bank AG. This description is subject to amendments or adjustments from time to time.

The HVB Robotics Fund Risk Control 9 Index (WKN A2DBZ6 / ISIN DE000A2DBZ64) (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 USD (the "**Index Currency**") in accordance with the index rules set out below (the "**Index Rules**"). The objective of the Index is to participate in the performance of the Reference Fund, while aiming to control the frequency and degree of variation in the value (volatility) of the Index (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:

"**Auditor**" means PricewaterhouseCoopers and/or any other auditing firm appointed by the Management Company to audit the Reference Fund and its annual financial statements.

"**Banking Day**" 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 and on which commercial banks and foreign exchange markets settle payments in London and New York.

"**Custodian Bank**" means State Street Custodial Services (Ireland) Limited and/or any other company appointed by the Management Company to perform depository, accounting, settlement or similar services for the Reference Fund.

"**USD**" means US Dollar.

"**Fee ( $t_j$ )**" means the Fee at Index Valuation Date  $t_j$ . Fee ( $t_j$ ) is calculated by the Index Calculation Agent for every Index Valuation Date  $t_j$  in accordance with the provisions set forth in *Section C. - I. Calculation of the Index* of this Index Description. "**Fund Documents**" means the annual report and the half-yearly report, the prospectus (including the management regulations, terms and conditions), 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, in each case in the respective valid version.

"**Fund Event**" means any event defined as a Fund Event in *Section D. - I. General Extraordinary Adjustments* of this Index Description.

"**Fund Management**" means the persons responsible for portfolio management and/or risk management of the Reference Fund.

"**Fund Service Providers**" are the Auditor, the Custodian Bank and the Management Company.

"**Fund Share**" or "**Fund Shares**" means a unit or share or units of the Reference Fund (ISIN IE00BYZK4552 / Bloomberg RBOT LN Equity).

"**Hedging Party**" means the Index Sponsor. 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.

"**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 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.

"**Hypothetical Investor**" means, in relation to any Fund Shares, a hypothetical investor holding such Fund Shares which (i) has the legal form of a company incorporated in Germany and is a credit institution licensed under Section 32 of the German Banking Act (*Kreditwesengesetz*, KWG) and (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 possibilities of such an investor in relation to the subscription and redemption of Fund Shares as at the relevant Index Valuation Date.

"**Index Components**" means the Fund Shares and the Reference Interest Rate included in the Index at any given time.

"**Index Initial Value**" means 100.00.

"**Index Start Date**" means 2 May 2017.

"**Index Valuation Date**" means any Banking Day as of which the subscription and redemption of Fund Shares is ordinarily possible according to the Fund Documents.

"**Index Value**" means the value (expressed in USD) of the Index on any given Index Valuation Date as calculated by the Index Calculation Agent.

"**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. - I. Calculation of the Index* of this Index Description.

"**Issuer**" means an issuer of Securities.

"**Management Company**" means BlackRock Asset Management Ireland Limited, which manages the Reference Fund.

"**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 Index Valuation Date  $t_j$ .

"**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.

"**Reference Fund**" means iShares Automation & Robotics UCITS ETF.

"**Reference Interest Rate**" means the US 3-month LIBOR rate published as of 11.55 London time on the Bloomberg page US0003M Index or the Reuters page USD3MFSR=. In case that the values published on the Bloomberg page and the Reuters page deviate, the value published on the Bloomberg page is considered as relevant. If no rate is published, the Index Calculation Agent will determine such rate from other sources as it deems appropriate in its reasonable discretion according to § 315 BGB.

"**Reference Rate Event**" means any event defined as a Reference Rate Event in *Section D. - I. General Extraordinary Adjustments* of this Index Description.

"**Relevant Exchange**" means London Stock Exchange (LSE).

"**Securities**" means all outstanding 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 labeled with  $t_0$ , previous Index Valuation Dates are labelled with negative indices and subsequent Index Valuation Dates are labelled with positive indices, resulting in ( $\dots, t_2, t_1, t_0, t_1, t_2, \dots$ ).

" **$t_{j-p}$** " is the  $p$ -th Index Valuation Date prior to the Index Valuation Date  $t_j$ .

" **$t_{j-p-2}$** " is the second Index Valuation Date prior to the Index Valuation Date  $t_{j-p}$ .

" **$t_{j-p-3}$** " is the third Index Valuation Date prior to the Index Valuation Date  $t_{j-p}$ .

## II. General information, Disclaimer

The information regarding the Reference Fund included in this Index Description is intended solely to inform investors or potential investors in Securities and does not constitute a solicitation or offer to invest in Fund Shares. Each investor or potential investor shall make its own assessment of the suitability of the Reference Fund. Users of the Index and each potential investor in Securities should perform his own investigation with respect to the Index and should in any case seek sufficient professional advice before investing in Securities. 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 legal or beneficial interest or ownership in the Index Components. Each of the allocations described herein is only carried out hypothetically by modifying such records. Neither the Index Sponsor nor the Index Calculation Agent nor any Issuer or the Hedging Party is under any obligation to directly or indirectly acquire the Index Components. Fees or rebates, 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 Securities or reinvested in the Index. Distributions made by the Reference Fund will not be distributed to the holders of Securities.

## **Section B. - General information regarding the Index**

### **I. Objective of the Index**

The Objective of the Index is to provide synthetic exposure to the performance of the Reference Fund. The Index has a built-in target volatility mechanism. When the Index Calculation Agent determines that the realised volatility of the Reference Fund over the preceding 20-day reference period exceeds a defined volatility level (the "**Target Volatility**"), then the exposure of the Index to the Reference Fund 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 is below the Target Volatility and the exposure of the Index to the Reference Fund is below 100%, then the exposure of the Index to the Reference Fund 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 Fund is 100%.

The Index is an "Excess Return" index. As a consequence, the level of the Index reflects the performance of the Reference Fund relative to the Reference Interest Rate. If the Reference Fund exhibits a return higher than the Reference Interest Rate, then the return of the Index will be positive. If the Reference Fund exhibits a return less than the Reference Interest Rate, then the return of the Index will be negative.

There is no guarantee and no assurance (express or implied) given by the Index Sponsor nor by the Index Calculation Agent that the Objective of the Index will be achieved.

### **II. Index Sponsor and Index Calculation Agent**

The Index Sponsor creates 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 specifications with regard to the Index in its reasonable discretion (§ 315 BGB).

The Index Calculation Agent conducts all calculations with regard to the Index in accordance with this Index Description, and monitors and maintains 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. Neither the Index Sponsor nor the Index Calculation Agent give any representation or guarantee for the correctness of the data underlying the calculation of the Index Value. Neither the Index Sponsor nor the Index Calculation Agent accepts any liability for any direct or indirect damage which may result from an incorrect calculation of the Index Value.

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 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 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:

$$\text{Index}(t_j) = \text{Index}(t_j - 1) \times [1 + w(t_j - 1) \times \text{Return1}(t_j) - w(t_j - 1) \times \text{Return2}(t_j) - \text{Fee}(t_j)]$$

where:

$$\text{Return1}(t_j) = \frac{\text{NAV}(t_j) - \text{NAV}(t_{j-1})}{\text{NAV}(t_{j-1})};$$

$$\text{Return2}(t_j) = \text{Rate}(t_{j-1}) \times \frac{\Delta(t_{j-1}, t_j)}{360}$$

and the

$$\text{Fee}(t_j) = 1.75\% \times \frac{\Delta(t_{j-1}, t_j)}{360}$$

where:

"**Rate( $t_{j-1}$ )**" means the Reference Interest Rate and that has been fixed two (2) Index Valuation Dates prior to Index Valuation Date  $t_{j-1}$  as determined by the Index Calculation Agent.

"**w( $t_{j-1}$ )**" denotes the weighting of the Reference Fund (as defined in *Section C. - 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 is determined for each Index Valuation Date  $t_j$  (where  $j = 0, 1, 2, \dots$ ) as follows ("**Dynamic Allocation**"):

Firstly, the Index Calculation Agent calculates the realised degree of variation (realised volatility) of the Reference Fund ( $\sigma_R(t_j)$ ), using the continuous daily returns of the Reference Fund over a period of twenty consecutive Index Valuation Dates which is normalised to an annual figure for the volatility. The period observed (the "**Volatility Period**") commences with the 21st Index Valuation Date prior to the relevant Index Valuation Date  $t_j$  and ends with the second Index Valuation Date prior to the relevant Index Valuation Date  $t_j$ . Continuous return means 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:

$$\sigma_R(t_j) = \sqrt{\frac{\sum_{p=0}^{19} \left( \text{Ln} \left[ \frac{\text{NAV}(t_j-p-2)}{\text{NAV}(t_j-p-3)} \right] \right)^2 - \frac{1}{20} \times \left( \sum_{p=0}^{19} \text{Ln} \left[ \frac{\text{NAV}(t_j-p-2)}{\text{NAV}(t_j-p-3)} \right] \right)^2}{19}} \times \sqrt{252}$$

where:

"Ln[x]" denotes the natural logarithm of a value  $x$ .

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 formula and the realised volatility of the Reference Fund calculated in accordance with the formula described above. In principle, a higher realised volatility of the Reference Fund leads to a lower weighting of the Reference Fund and vice versa (the weighting of the Reference Fund being at its maximum level of 100% if the realised volatility of the Reference Fund is equal to or less than 9.00%).

$$w(t_j) = \max \left( 0\%; \min \left( 100\%; \frac{9.00\%}{\sigma_R(t_j)} \right) \right)$$

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 if the Reference Fund makes use of provisions which result in a partial execution of subscription or redemption requests). This may result in a delayed or gradual implementation of Dynamic Allocation.

## Section D. - Extraordinary Adjustments and Market Disruptions

### I. General Extraordinary Adjustments

#### *Adjustments with regard to the Reference Fund*

If the Index Sponsor determines the occurrence of one or more Fund Events, then it will, if necessary, adjust the Index Concept in such a way that the economic 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 units or shares with commercially equivalent liquidity, distribution policy and investment strategy (the "**Successor Reference Fund**", and its units or shares the "**Successor Fund Shares**") in the amount of the liquidation proceeds of the Reference Fund that the Hypothetical Investor would have received 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 a commercially equivalent investment strategy (the "**Successor Index**") in the amount of the liquidation proceeds of the Reference Fund that the Hypothetical Investor would have received 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 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*.

**"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, 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 Service 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 authorisation or registration of the Reference Fund or the Management Company; or (iii) the suspension, cancellation, revocation or absence of a distribution authorisation for the Reference Fund or the Management Company by the competent authority; or (iv) the initiation of investigatory proceedings by supervisory authorities, conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company, a 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 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; the Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether any such change has occurred;

- k. 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 is more than 20% of the outstanding Fund Shares of 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 an investor in the Reference Fund for reasons outside the control of that investor, (iii) the subdivision, consolidation or reclassification of the Fund Shares or any other measure 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 Service Provider discontinues its services for the Reference Fund or loses its licence, 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 investors;
- 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 or distributions that 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 the Reference Fund's 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;
- z. NAV is no longer published in USD;
- aa. the quotation of the Reference Fund or the Fund Shares at the Relevant Exchange is finally ceased and in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent no substitute relevant exchange could be determined;
- bb. the performance of the Reference Fund is on five consecutive trading days higher than the performance of the index underlying the Reference Fund, based on the closing prices.

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 Interest Rate*

If the Index Sponsor determines the occurrence of one or more Reference Rate Events, then it will, if necessary, adjust the Index Concept in such a way that the economic position of the Hypothetical Investor remains unchanged to the greatest extent possible (the "**Reference Rate 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 Rate Adjustment, the Index Sponsor may specifically:

- a. replace the Reference Interest Rate with a new interest rate (the "**Successor Reference Interest Rate**") that is economically equivalent to the greatest extent possible. In this event, each reference to the Reference Interest Rate will be deemed to refer to the Successor Reference Interest Rate;
- b. adjust any provision of the Index Concept, the adjustment of which is appropriate to account for the economic effect of the Reference Rate Event.

Any such Reference Rate Adjustment will be published in accordance with *Section F. - Publication* of this Index Description.

"**Reference Rate Event**" means any of the following events:

- a. changes or modifications are made to the method of calculation, determination and publication of the Reference Interest Rate, 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 Interest Rate, or (ii) the Reference Interest Rate is no longer calculated in USD); the Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether any such change or modification has occurred;
- b. the calculation or publication of the Reference Interest Rate is discontinued;
- c. 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 a Reference Rate 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 Reference Rate Events.

Should an adjustment of the Index Concept not be possible or not be reasonable for the Hypothetical Investor or the investors in any 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 full 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 recalculate the Index Value on the basis of the Corrected Net Asset Value. With respect to the Dynamic Allocation, the determination of the weighting of the Reference Fund by the Index Sponsor for an Index Valuation Date on the respective Index Calculation Date takes into account the information available to the Hypothetical Investor and the possibilities to subscribe and redeem Fund Shares on the respective Index Calculation Date. Under this premises, the Dynamic Allocation is not recalculated.

The Index Sponsor will determine the type and extent of any necessary adjustments to the Net Asset Value in its reasonable discretion (§ 315 BGB).

## **III. Market Disruption Events**

If a Reference Fund Market Disruption Event a. occurs on an Index Valuation Date, the Index Calculation Agent will not calculate, determine and publish the Index (including suspending the realisation of the Dynamic Allocation).

If a Reference Fund Market Disruption Event b. occurs on an Index Valuation Date, the Index Calculation Agent will postpone the calculation, determination and publication of the Index Value (specifically including the realisation of the Dynamic Allocation) until such time as the Reference Fund Market Disruption Event b. ends. If the Reference Fund Market Disruption Event b. 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 calculate the Index (specifically including the realisation of the 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.

For the purpose of determining the Reference Interest Rate while a Reference Fund Market Disruption Event exists, the Index Calculation Agent shall consider the Index Valuation Dates on which a Reference Fund Market Disruption Event exists as if these days are not Index Valuation Dates.

**"Reference Fund Market Disruption Event"** means any of the following events:

- a. 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 is published; or
- b. the publication of the Net Asset Value with respect to an Index Valuation Date is delayed.

- c. the quotation of the Reference Fund is suspended, limited or restricted by the Relevant Exchange, due to price movements exceeding the limits of the Relevant Exchange or for any other reason;
- d. the price of the Reference Fund is not published due to any decision by the person or institution responsible for the calculation and publication of the Net Asset Value.

The Index Sponsor will determine in its reasonable discretion (§ 315 BGB) whether the relevant requirements are met.

**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 Securities.

**Section F. - Publication**

The Index Value is published by the Index Calculation Agent on Reuters page .UCGRRFRC and on Bloomberg under the ticker UCGRRFRC 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 Securities.

**Section G. - Governing law**

This Index Description is governed by German law.

**F. Description of Indices composed by the Issuer or by any Legal Entity belonging to the same Group incorporated by reference**

The description of indices composed by the Issuer or by any legal entity belonging to the same group included in the following base prospectuses is hereby incorporated by reference into this Base Prospectus:

- (1) Description of HVB Multi Manager Best Select Flex Index,
- (2) Description of HVB Multi Manager Best Select Flex Index II,
- (3) Description of HVB Vermögensdepot Wachstum Flex Index II,
- (4) Description of HVB Vermögensdepot Wachstum Flex Index,
- (5) Description of HVB Star Funds Excess Return Risk Control Index, and
- (6) Description of VP Klassik 70 Benchmark Index.

as included in the Base Prospectus of UniCredit Bank AG dated 12 May 2017 for the issuance of Single Underlying and Multi Underlying Securities (with partial capital protection). A list setting out the information incorporated by reference is provided on page 331 et seq.

## FORM OF FINAL TERMS

### Final Terms

dated [●]

UniCredit Bank AG

Issue of [*Insert title of the Securities*]

(the "**Securities**")

under the

**Euro 50,000,000,000**

**Debt Issuance Programme of  
UniCredit Bank AG**

*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 (the "**Issuer**") dated 28 July 2017 for the issuance of Reference Asset Linked Securities and for the issuance of Bond Linked Equity Securities (the "**Base Prospectus**") and in any supplements to the Base Prospectus (the "**Supplements**").*

*The Base Prospectus, any Supplements and these Final Terms are available on [*Insert website(s)*][[www.bourse.lu](http://www.bourse.lu)]. The Issuer may replace these website(s) by any successor website(s) which will be published by notice in accordance with § 6 of the General Conditions.*

*[An issue specific summary is annexed to these Final Terms.]<sup>6</sup>*

### SECTION A – GENERAL INFORMATION:

#### [Offer going beyond the validity of the Base Prospectus:

**The validity of the above mentioned Base Prospectus dated 28 July 2017, under which the Securities described in these Final Terms are issued, ends on 28 July 2018. From this point in time, these Final Terms are to be read together with the latest base prospectus of UniCredit Bank AG for the issuance of Reference Asset Linked Securities and Bond-Linked Equity Securities (including the information incorporated by reference in the latest base prospectus from the base prospectus, under which these securities have initially been issued) which follows the Base Prospectus dated 28 July 2017. The latest base prospectus of UniCredit Bank AG for the issuance of Reference Asset Linked Securities and Bond Linked Equity Securities will be published on [www.onemarkets.de/basisprospekte](http://www.onemarkets.de/basisprospekte) and on [●].<sup>7</sup>**

#### Issue date:

[*Insert issue date*]

[The issue date for each Security is specified in § 1 of the Product and Reference Asset Data.]

<sup>6</sup> No issuance-specific summary is required in case of Securities with a minimum denomination of 100,000 Euro which are not publicly offered.

<sup>7</sup> Not applicable in case of Securities with a minimum denomination of 100,000 Euro which are not publicly offered.

**Issue price:**

[*Insert issue price*]

[The issue price per Security will be determined by the issuer on [*Insert*] on the basis of the product parameters and the current market situation (in particular the price of the Underlying, the implied volatility, interest rates, proceed expectations and lending fees). 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 [*Insert website*][www.bourse.lu]] after its specification. The Issuer may replace these website(s) by any successor website(s) which will be published by notice in accordance with § 6 of the General Conditions.]

**Selling concession:**

[Not applicable] [An upfront fee in the amount of [*Insert*] is included in the Issue Price.] [*Insert details*]

**Other commissions:**

[Not applicable][*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 Data, Reference Asset Data 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 Data, Reference Asset Data and Underlying Data.

**Product Type:**

[Reference Asset Linked Securities with Cash Settlement [and Cross Currency Swap]]

[Reference Asset Linked Securities with Cash Settlement [and FX spot rate conversions]]

[Reference Asset Linked Securities with Physical Settlement [and Cross Currency Swap]]

[Reference Asset Linked Securities with Physical Settlement [and FX spot rate conversions]]

[Bond Linked Equity Securities]

[All Time High Bond Linked Equity Securities]

[Cash Collect Bond Linked Equity Securities]

[Performance Cash Collect Bond Linked Equity Securities]

[Digital Coupon Bond Linked Equity Securities]

[Twin-Win Bond Linked Equity Securities]

[Win-Win Bond Linked Equity Securities]

[Icarus Bond Linked Equity Securities]

**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 [to the] [Luxembourg Stock Exchange] [*Insert relevant regulated or other equivalent market(s)*] for the Securities to be listed on the [official list of the Luxembourg Stock Exchange (the "**Official List**") [*Insert relevant regulated or other equivalent market(s)*]] [within [*Insert period of time*] from the Issue Date] [with effect from [*Insert expected*

date]].

Application [has been][will be] made [to the] [Luxembourg Stock Exchange] [Insert relevant regulated or other equivalent market(s)] for the Securities to be admitted to trading on the [Luxembourg Stock Exchange's regulated market] [Insert relevant regulated or other equivalent market(s)] [within [Insert period of time] from the Issue Date] [with effect from [Insert expected date]].]

[If the Securities are already admitted to trading, the following applies:

The Securities are already admitted to trading on the following regulated or other equivalent markets: [Insert relevant regulated or other equivalent market(s)]

[In the case of Securities that are listed with [Insert relevant regulated or other equivalent market(s)]: 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 other 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 organized and managed by [Insert relevant regulated or other 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 [●] %.]

[If securities of the same class of the Securities admitted to trading are already admitted to trading on a regulated or 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: [Insert relevant regulated or other 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.]

[Application to listing [will be] [has been] made as of [Insert expected date] on the following markets: [Insert relevant market(s)].]

[The Securities are already traded on the following markets: [Insert relevant market(s)].]

### **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 are [initially] offered during a Subscription Period[, and continuously offered thereafter]. Subscription Period: [Insert start date of the subscription period] to [Insert end date of the subscription period].]

[A public offer will be made in [Luxembourg] [Austria] [Poland] [Czech Republic] [Slovakia] [Bulgaria] [Croatia] [Hungary].]

[The smallest transferable unit is [Insert].]

[The smallest tradable unit is [Insert].]

The Securities will be offered to [qualified investors][,] [and/or] [institutional investors] [by way of [a private placement][a public offering]] [by financial intermediaries].

[The offer will be made simultaneously in the markets of [Insert number] countries and [Insert

*tranche*] [has been][is being] reserved for [*Insert relevant market(s)*].]

[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 by the Issuer at any time without giving any reason.]

[No public offer occurs.]

[Manner and date in which results of the offer are to be made public: [Not applicable][*Insert details*].]

### **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).

Such consent to use the Base Prospectus is given [for the following offer period of the Securities: [*Insert offer period for which the consent is given*]] [during the period of the validity of the Base Prospectus]. General consent for the subsequent resale or final placement of Securities by the financial intermediaries is given in relation to [Luxembourg] [Poland] [Czech Republic] [Slovakia] [Bulgaria] [Croatia] [Hungary] [Austria].]

[*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)*].

Such consent to use the Base Prospectus is given for the following period: [*Insert period*].

Individual consent for the subsequent resale or final placement of the Securities by the financial intermediar[y][ies] is given in relation to [Luxembourg] [Austria] [Poland] [Czech Republic] [Slovakia] [Bulgaria] [Croatia] [Hungary] 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.]

[Not applicable. No consent is given.]

### **U.S. Selling Restrictions:**

[TEFRA C]

[TEFRA D]

[Neither TEFRA C nor TEFRA D]<sup>8</sup>

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<sup>8</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

**Additional Information:**

[*Insert additional provisions*]<sup>9</sup>

[Not applicable.]

**SECTION B – CONDITIONS**

**Part A – General Conditions of the Securities**

**Global Note, Agents, Custody**

Types of the Securities	[notes] [certificates]
Global Note	[Permanent Global Note] [Temporary Global Note]
Principal Paying Agent	[UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Federal Republic of 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> ]
Calculation Agent	[UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Federal Republic of Germany] [ <i>Insert name and address of other Calculation Agent</i> ]
Custody	[Clearstream Banking AG, Frankfurt am Main (CBF)] [Clearstream Banking société anonyme, Luxembourg (CBL) and Euroclear Bank SA/NV (Euroclear Bank)] [ <i>Insert name and address of other Clearing System</i> ]

**Part B – Product Data, Reference Asset Data and Underlying Data**

[*Insert "Product Data, Reference Asset Data and Underlying Data" (including relevant options contained therein) and complete relevant placeholders"*]

**Part C - Special Conditions of the Securities**

[*Insert the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders"*]

UniCredit Bank AG

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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>9</sup> Exclusively applicable for information pursuant to Annex XXI of the Commission Regulation (EC) No 809/2004, if the Underlying is not managed or composed by the issuer or by any legal entity belonging to the same group.

**[ANNEX I**

*[Attach loan, respectively assignable loan agreement hereto.]*

**[ANNEX II**

**ISSUE SPECIFIC SUMMARY**

*[Insert issue specific summary]*<sup>10</sup>

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<sup>10</sup> No issuance-specific summary is required in case of Securities with a minimum denomination of 100,000 Euro which are not publicly offered.

## TAXES

The following section discusses certain tax issues associated with the purchase, ownership and disposal of the securities. The discussion is limited to certain tax issues in Germany, Luxembourg, Austria, the Czech Republic, Poland, the Slovak Republic, Hungary, Bulgaria, Croatia and the United States of America.

In addition, it is not intended as a comprehensive discussion of all possible tax consequences under those legal systems. It is quite possible that there are other tax considerations that may be relevant when making a decision to invest in the securities. As each security may be subject to different tax treatment due to the special conditions of the issue in question as indicated in the final conditions, the following section also contains only very general information on the possible tax treatment. In particular, the discussion does not take into account special aspects or circumstances that may be relevant to the individual investor. It is based on the tax laws in effect in Germany, Luxembourg, Austria, the Czech Republic, Poland, the Slovak Republic, Hungary, Bulgaria, Croatia and the United States of America on the date of this basic prospectus. These laws are subject to change. Such changes can also be made retroactively.

The taxation of income from the securities also depends on the concrete terms and conditions of the securities and the individual tax situation of each investor.

**The issuer assumes no responsibility for deducting any withholding taxes.**

**Investors and interested parties are urgently advised to consult their tax advisor with regard to taxation in their particular case.**

### EU Savings Directive

The EU Directive 2003/48/EC on the taxation of savings income in the form of interest income ("**EU Savings Directive**") was repealed in general on 1 January 2016. In Austria the repeal came into effect on 1 January 2017.

### OECD Common Reporting Standard, EU Administrative Cooperation Directive

Under the "**OECD Common Reporting Standard**," the states required to apply that standard (participating states) are required from 2016 onward to exchange information on financial accounts held by individuals outside their country of residence. The same applies as of 1 January 2016 for the member states of the European Union. On the basis of a supplement to the Directive 2011/16/EU on administrative cooperation in the field of taxation (the "**EU Administrative Cooperation Directive**"), the member states are also required from that date onward to exchange financial information on reportable accounts held by persons who reside in another EU member state. Investors should obtain information and/or seek advice on further developments.

### Financial Transaction Taxes

On 14 February 2013, the European Commission issued a draft directive (the "**Commission proposal**") for a common system of financial transaction tax in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia decided not to take part in the discussions anymore.

The scope of the Commission proposal is very broad and the proposal could, insofar as it is introduced, under certain conditions apply to specific security transactions (especially secondary market transactions).

Under the commission proposal, the financial transaction tax could apply under specific circumstances to certain individuals, both inside and outside the Participating Member States. Generally, it would apply to certain transactions with securities, in which at least one party is a financial institution and at least one party is established in a Participating Member State. A financial institution may under various conditions could be established in a Participating Member State - or be considered as

established - in particular (a) through transactions with a company established in a Participating Member State or (b) in cases where the underlying financial instrument of the transaction is issued in a Participating Member State.

The proposed financial transaction tax is the subject of negotiations between the Participating Member States. It could therefore be amended before the implementation, which date is unclear. Other Member States could decide to participate.

Investors are advised to seek professional advice regarding financial transaction taxes.

## **Germany**

### ***Taxation of the securities in Germany***

#### ***Income tax***

The following section begins with a description of the tax aspects for persons resident in Germany, followed by a description of the tax aspects for persons not resident in Germany.

#### ***Persons resident in Germany***

Residents of Germany are required to pay income tax in Germany on their world-wide income (unlimited tax liability). This applies regardless of the source of the income and includes interest from financial claims of any kind (e.g. the securities) and, as a rule, gains on disposal.

Natural persons are subject to income tax and legal entities to corporate tax. In addition, the solidarity surcharge must be paid and, if applicable, church tax and/or business tax. In case of partnerships, the tax treatment depends on the partners (including any indirect shareholders). This section does not discuss the special aspects of the taxation of partnerships.

A person is deemed a resident of Germany if his/her place of residence or habitual abode is located there or, in case of legal entities, its domicile or senior management.

#### ***(1) Taxation of securities held as part of personal assets***

The following applies to persons resident in Germany who hold the securities as part of their personal assets:

##### ***(a) Income***

The securities should qualify as other financial claims within the meaning of § 20 (1) No. 7 of the Income Tax Act ("**ESTG**").

Similarly, interest payments on the securities should qualify as investment income.

Gains or losses on disposal of the securities should also qualify as positive or negative investment income within the meaning of § 20 (2) No. 7 EStG. A gain/loss on disposal is equal to the difference between the purchase cost and the sale proceeds. In addition, only expenses directly and materially related to the sale transaction can be deducted (§ 20 (4) sentence 1 EStG).

For warrants, the disposal gains/losses should be calculated as the value of the amount of cash or other benefit received less the expenses directly related to the sale, e.g. the purchase costs for the warrant.

For transactions not executed in euros, the purchase costs and the sale proceeds must be converted into euros based on the exchange rate at the times of the respective transactions.

If the securities are not sold, but rather redeemed, repaid, assigned or deposited in a corporation as hidden contributions, then these events are treated as a disposal (§ 20 (2) sentence 2 EStG).

Pursuant to § 20 (6) EStG losses on disposal can only be set off against other investment income. If there is no other investment income, the losses can be carried forward to future taxation periods.

According to the current opinion of the tax authorities, no disposal of other financial claims – except warrants – is deemed to occur if the sale price does not exceed the actual transaction costs. Consequently, losses from such a transaction are not deductible. The same applies in case of an

agreement under which the transaction costs are limited by charging them in the form of a deduction from the sale price. In the same way, a default of other financial claims – except warrants – will not be treated as a disposal (e.g. in case the issuer becomes insolvent). The same applies to a debt write-down unless there are hidden contributions in a corporation. As a result, losses from a default or debt write-down of other financial claims – except warrants – are not deductible in the opinion of the tax authorities. In the view of the issuer, however, losses from other causes (e.g. due to a decrease in value of an underlying) should be deductible, subject to the above-mentioned restrictions on the setting off of losses and to the contents of the following paragraph. However, investors should note that this opinion of the issuer cannot be taken as a guarantee that the tax authorities and/or courts will agree.

Moreover, the tax authorities are currently of the opinion that, in case of a barrier certificate with several payment dates before final maturity, the income at those dates represents interest income. This would always be the case unless the issue conditions contain clear stipulations on repayment or partial repayments during the term of the certificate and the contractual partners proceed accordingly. If no further payments are made on these certificates at final maturity, then an event comparable to a disposal in the meaning of § 20 (2) of the Income Tax Act (EStG) is not deemed to exist, which means that any remaining purchase costs would not be tax deductible. Similarly, if no payment is due for a certificate at final maturity because the price of the underlying is outside a range specified in the issue conditions, or if the certificate is terminated prematurely with no further capital payments because the underlying is no longer within the range (e.g. for knock-out certificates), a disposal in the meaning of § 20 (2) of the Income Tax Act (EStG) is not deemed to exist. Here, too, therefore, any remaining purchase costs would not be tax deductible. Although the opinion published by the authorities applies only to such products as knock-out certificates with several payout dates, the application of the above principles to other securities cannot be ruled out.

According to court rulings dated 12 January 2016 of the Federal Tax Court, losses resulting from the expiry of options are tax deductible. The contrary opinion of the tax authorities is no longer applicable. At this time, it is unclear, whether the judgment will also be applicable for the knock-out certificates. Security Holders should carefully observe any further developments.

If the final terms of the securities stipulate physical delivery of other debt securities at final maturity instead of cash settlement, the securities could qualify as convertible bonds, exchangeable bonds or similar instruments. That depends on the detailed terms of the final conditions of the securities, e.g. whether the issuer or the investor can opt for physical settlement. In that case, the physical settlement could be seen as the disposal of the securities followed by the purchase of the securities received. Depending on the wording of the final conditions, however, the original purchase costs of the securities could be treated either as notional disposal proceeds for the securities or notional purchase costs for the securities received (§ 20 (4a) (3) EStG), so that ultimately no taxable disposal gains should arise at the time of settlement. However, disposal gains arising from the onward sale of the received securities are always taxable.

*(b) Capital gains tax / withholding tax*

Investment income (e.g. interest and disposal gains) is generally subject to capital gains tax in the form of a tax deduction when it is paid out.

If a German branch of a German or foreign financial institution or financial services provider or a German securities trading company or German investment bank (referred to as a "**Disbursing Institution**") keeps the securities in custody, pays out the investment income, or credits it to the investor's account, the paying institution deducts the capital gains tax (for exceptions see below).

The capital gains tax is always calculated on the basis of the gross investment income (as described above, i.e. before deduction of capital gains tax). However, if the Disbursing Institution does not know the amount of the purchase costs in case of disposal transactions, for example because the securities were transferred from a foreign securities account, and if the purchase costs are not documented by the taxpayer in the form required by law, the tax deduction is calculated as 30% of the proceeds from the sale or redemption of the securities. When determining the basis for calculation, the Disbursing Institution must deduct any negative investment income not previously taken into account (e.g. disposal losses) and accrued interest from the same calendar year or previous years up to the amount of the positive investment income.

The capital gains tax rate is 26.375 % (including the solidarity surcharge, plus church tax if applicable).

If the investor is subject to church tax, it is collected in addition to the capital gains tax unless the investor has submitted an objection to the Federal Central Tax Office on the retrieval of data on religious affiliation (restriction entry). In case of a restriction entry, the investor is obliged to report all investment income in his/her tax return for church tax purposes.

Capital gains tax is not deducted if the investor has submitted an exemption declaration to the Disbursing Institution. However, the institution will refrain from deducting the withholding tax only as long as the investor's total investment income does not exceed the amount indicated in the exemption declaration. At present the maximum exemption is EUR 801.00 (EUR 1,602 in case of jointly assessed spouses and partners). Similarly, no capital gains tax is deducted if the investor provides the Disbursing Institution with a tax exemption certificate from the tax office with jurisdiction over his/her place of residence.

The issuer is not obliged to deduct and transfer capital gains tax for payments in connection with the securities, unless the issuer is acting as a Disbursing Institution.

*(c) Assessment procedure*

In general, the tax treatment of investment income takes the form of capital gains tax deductions (see above). If capital gains tax is deducted, the deducted amount will generally cover the payable taxes (flat tax on investment income).

If no capital gains tax is deducted, and this is not the result of an exemption declaration or certain other cases, then the investor is obliged to declare the capital gains concerned in its tax return. The investment income is then taxed on the basis of an assessment procedure. Even if capital gains tax has been deducted, investors subject to church tax who have requested a blocking entry with the Federal Central Tax Office must report their investment income in their tax returns for church tax purposes.

The special tax rate for investment income (26.375 %, including the solidarity surcharge, and plus church tax if applicable) generally applies in the assessment procedure as well. In certain cases the investor can submit an application requesting the application of individual income taxation to investment if that treatment is more favourable. However, this application can be submitted only to request such treatment of all investment income within a given assessment period. In case of jointly assessed spouses or partners, only a joint application is permitted.

When determining the investment income, the fixed savings income deduction of EUR 801 (EUR 1,602 for jointly assessed spouses/partners) can be recognised as an expense. Actual expenses, if any, cannot be deducted. This also applies if the investment income is subject to the individual income tax rate.

*(2) Tax treatment of securities held as business assets*

Interest income and disposal gains made with Securities which are held as business assets are subject to taxation in Germany. If the investor is a legal entity, the investment income is subject to corporate tax at a rate of 15 %. If the investor is a natural person, the investment income is subject to an individual income tax at a rate of up to 45 %. The solidarity surcharge also applies. This is equal to 5.5 % of the corporate or income tax. In addition, business tax may be payable at the rate set by the community in which the business enterprise is located. In case of natural persons, church tax may also be payable, but currently only within the scope of the assessment procedure. From the year 2018 it is planned, that the church tax shall be withheld by the Disbursing Institution.

If the Final Terms of the Securities stipulate physical delivery of debentures, equities, fund shares or other securities at final maturity instead of cash settlement, such physical delivery would be regarded as the taxable disposal of the Securities and as purchase of the securities delivered. Any disposal gains would be taxable; any disposal losses should be deductible in principle. Expenses which incur in connection with the holding of the Securities should be tax deductible.

The regulations for capital gains tax as outlined above for privately held securities are generally applicable. However, investors who hold securities as business assets cannot submit an exemption declaration. Moreover, unlike in the case of privately held securities, no capital gains tax is deducted

in case of disposal gains, for example if (a) the investor is a corporation, an association of individuals or an estate or (b) the capital gains represent business income of a domestic business operation and the investor submits a declaration to this effect to the Disbursing Institution using the required official form.

In case of securities held as business assets, the deducted capital gains tax is treated as an advance payment of income or corporate tax and is credited or refunded in the assessment procedure.

### ***Persons not resident in Germany***

Persons who are not tax residents of Germany are generally not liable for tax payments in Germany on income from the securities.

This does not apply, however, if (i) the securities are part of business assets for which a business operation is maintained in Germany or for which a permanent representative is appointed or if (ii) for other reasons, the income from the securities belongs to domestic income within the meaning of § 49 of the German Income Tax Act (EStG). In both of these cases, the investor is subject to limited tax liability in Germany for the income from the securities. In general, the information given for persons resident in Germany then applies (see above).

### ***Other taxes***

#### ***Inheritance and gift tax***

In general, inheritance tax applies in Germany in connection with the securities if either the testator or the heir is a tax resident or a deemed tax resident of Germany or if the securities are part of business assets for which a business operation is maintained or a permanent representative is appointed in Germany. Similarly, gift tax applies in Germany if either the benefactor or the presentee is a tax resident or a deemed tax resident of Germany or if the securities are part of business assets for which a business operation is maintained or a permanent representative is appointed in Germany.

Due to double taxation treaties in effect with regard to inheritance and gift tax, tax regulations may differ. Moreover, special regulations apply to German citizens living abroad who formerly resided in Germany.

### ***Other taxes***

No stamp duty, issuance tax, registration tax or similar taxes or levies apply in Germany with regard to the issue, delivery or printing of securities. No wealth tax is collected in Germany at present.

## **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 the Republic of 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. These comments are not intended to be, nor should they be construed to be, legal or tax advice. It is based on the currently valid 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 those Securities. Tax risks resulting from the Securities (in particular from a potential classification as a foreign investment fund within the meaning of section 188 of the Austrian Investment Funds Act 2011 - Investmentfondsgesetz 2011) shall in any case be borne by the Security Holder. For the purpose 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 section 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 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 effective management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in section 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 effective 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 in Austria, Austria's right to tax may be restricted by double taxation treaties.

Pursuant to section 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 with a home member state other than Austria (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternativer Investment Fonds Manager-Gesetz*) with a home member state other than 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 vehicle 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. So far, the Investment Fund Guidelines (*Investmentfondsrichtlinien*) have not been adjusted to the current legal situation by the tax authorities. In case of a foreign investment fund tax consequences will materially differ from the ones set out below. In such case, a kind of transparency principle would apply according to which the investor would be subject to (corporate) income tax in relation to actual distributions as well as retained earnings of the fund deemed to be distributed to the investor (*ausschüttungsgleiche Erträge*).

### **Unlimited income tax liability**

If paid by an Austrian custodian agent (*depotführende Stelle*) or paying agent (*auszahlende Stelle*), income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) (including current interest income), income from realised increases in capital asset value (*Einkünfte aus realisierten Wertsteigerungen*) (including income from the sale, redemption or reimbursement of assets that lead to income from the letting of capital) and, *inter alia*, income from securitised derivatives (*Einkünfte aus verbrieften Derivat*) (including index certificates) realised by an individual subject to unlimited income tax liability in Austria is subject to capital income withholding tax (*Kapitalertragsteuerabzug*) at a special tax rate of 27.5%. Income from realised increases in capital asset value (*Einkünfte aus realisierten Wertsteigerungen*) does also comprise accrued interest (*Stückzinsen*). In relation to Securities held privately, the capital income tax base (*Kapitalertragsteuerbemessungsgrundlage*) in relation to income from realised increases in capital asset value shall be the acquisition costs, excluding ancillary acquisition costs (e.g. issuing premium, transaction costs).

In relation to Securities held privately, the capital income withholding tax, in general, has discharging effect regarding the income tax. However, upon application the option exists to tax all income which is subject to the special tax rate pursuant to section 27a (1) of the Austrian Income Tax Act (*Einkommensteuergesetz* – "EStG") at a lower progressive tax rate (standard tax option pursuant to section 27a (5) EStG). In relation to Securities held for business purposes, the capital income

withholding tax does not have discharging effect regarding income from realised increases in capital asset value (*Einkünfte aus realisierten Wertsteigerungen*) and income from derivatives (*Einkünfte aus Derivaten*); such income requires specification in the income tax declaration by the investor, however, the special tax rate of 27.5% is applicable.

A transfer of or withdrawal from a securities account or any circumstance which limits the Austrian taxing right in relation to other states (e.g. a relocation abroad) are, in general, equal to a taxable sale, however, in some cases a tax exemption might apply.

With regard to capital income, the Austrian custodian agent automatically offsets negative income against positive income pursuant to section 93 (6) EStG, taking into account the restrictions on the offsetting of losses pursuant to section 27 (8) EStG. Income from trust securities accounts, income from joint securities accounts and income from securities accounts held for business purposes according to the account holder's notice are exempted from offsetting losses by the Austrian custodian agent. In relation to assets held for business purposes particular offsetting rules apply; in addition, a limited loss carry-forward applies.

Income (e.g. interests) qualifying as operating income (*Betriebseinnahmen*) realised by a corporation subject to unlimited corporate income tax liability in Austria are subject to corporate income tax. A custodian agent or paying agent may refrain from withholding the capital income withholding tax (*Kapitalertragsteuerabzug*) if section 94 sentence 5 EStG is complied with, in particular, if the bank receives an exemption request in accordance with section 94 sentence 5 lit. b) EStG.

If no Austrian custodian agent or paying agent is involved, income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*), income from realised increases in capital asset value (*Einkünfte aus realisierten Wertsteigerungen*) and income from derivatives (*Einkünfte aus Derivaten*) realised by an individual subject to unlimited income tax liability in Austria is taxable at the respective tax rate within the tax assessment. Also in this case negative income may be offset against positive income in accordance with the provisions set out above.

If Securities are legally and factually not offered to an indefinite number of persons (private placement), the Austrian custodian agent or paying agent is not obliged to withhold a capital income withholding tax pursuant to section 93 (1) in conjunction with section 27a (2) sub (2) EStG. The same applies in case of non-securitised derivatives (e.g. OTC derivatives). An individual's income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*), income from realised increases in capital asset value (*Einkünfte aus realisierten Wertsteigerungen*) and income from non-securities derivatives (*Einkünfte aus nicht-verbrieften Derivaten*) is taxed within the tax assessment at the progressive income tax rate. With regard to income from non-securities derivatives (*Einkünfte aus nicht-verbrieften Derivaten*) the Austrian custodian agent or paying agent may voluntarily withhold the capital income withholding tax if certain requirements are fulfilled pursuant to section 27a (7) sub (7) EStG.

Income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) (current interest income), income from realised increases in capital asset value (*Einkünfte aus realisierten Wertsteigerungen*) (income from the sale, redemption or reimbursement of assets) and income from derivatives (*Einkünfte aus Derivaten*) (certificates), realised by private foundations (*Privatstiftungen*), which do not fall under section 5 (6) or (7) or under section 7 (3) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz* - "**KStG**") and do not hold the Securities as business assets (*Betriebsvermögen*), is taxed in accordance with section 22 (2) KStG ("interim tax" at a rate of 25%). A paying agent may refrain from withholding the capital income withholding tax (*Kapitalertragsteuerabzug*) if section 94 (12) EStG is complied with.

### **Limited income tax liability**

Income from the Securities incurred by individuals and corporations subject to limited (corporate) income tax liability in Austria is subject to Austrian (corporate) income tax if the income are attributable to a permanent establishment (*Betriebsstätte*) in Austria (section 98 (1) sub (3) EStG in conjunction with section 21 (1) sub (1) KStG).

Furthermore, interest income (section 27 (2) sub (2) EStG) and accrued interest income (including zero bonds) (§ 27 (6) sub (5) EStG) from sources in Austria, incurred by individuals subject to limited

income tax liability in Austria, is taxable in Austria if a capital income withholding tax applies. This does not apply if the individual is resident in a state with whom an automatic exchange of information exists. Interest income from sources in Austria means interest paid by a debtor having its place of effective management and/or legal seat in Austria, or being an Austrian branch of a foreign credit institution; accrued interest income from sources in Austria means interest from securities issued by an Austrian issuer (section 98 (1) sub (5) lit b) EStG). Payments made under the Securities do not trigger capital income withholding tax, no limited income tax liability should arise.

#### ***Liability and withholding of capital income withholding tax***

The payee of the capital income is tax liable with regard to the capital income withholding tax. The withholding agent is liable for the withholding and transfer of the capital income withholding tax.

Pursuant to section 95 (2) sub (1) lit b) EStG withholding agent means, *inter alia*, an Austrian credit institution or an Austrian issuer performing payments of capital income at maturity and *pro rata* capital income following a sale of Securities or, pursuant to section 95 (2) sub (2) lit a) EStG, in case of income from realised increases in capital asset value (*Einkünfte aus realisierten Wertsteigerungen*) and income from derivatives (*Einkünfte aus Derivaten*), the Austrian custodian agent. In particular, Austrian credit institutions in terms of the Austrian Banking Act (*Bankwesengesetz*) or Austrian branches of foreign credit institutions resident in another EU member state may qualify as Austrian custodian agent or paying agent.

#### ***Exchange of information***

Based on the Austrian Common Reporting Standard Act (*Gemeinsamer Meldestandard Gesetz - "GMSG"*), implementing Council Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation as well as the administrative assistance between Austria and third non-EU member states with regard to the global standards on the automatic exchange of information on financial accounts in tax matters, the federal minister of finance annually submits within nine month after the respective calendar year to the competent authorities of certain other states information on accounts requiring a reporting if the account holder is a resident of such other state pursuant to its tax law. The initial information exchange relates to the tax period starting at 1 January 2017 or, in case of newly opened accounts (i.e., in principle accounts opened after 30 September 2016), on information regarding the period between 1 October 2016 and 31 December 2016.

## **Luxembourg**

*This section provides a general description of withholding tax procedures in Luxembourg in connection with the securities. This description is not to be regarded as a comprehensive analysis of all tax considerations in connection with the securities in Luxembourg or elsewhere. Prospective buyers of the securities should consult their own tax advisors with regard to the countries whose tax laws may be relevant to buying, holding and selling the securities and receiving interest, capital and/or other amounts in connection with them and on the impact of these actions under Luxembourg tax law. This overview is based on the laws in effect at the date of this prospectus. The information in this section is limited to issues pertaining to withholding tax; prospective investors should not apply the information provided below to other areas, for example questions of the legality of transactions in securities.*

#### ***Withholding tax and self-assessment***

Under current Luxembourg laws, all interest and capital payments made by the issuer in connection with holding, selling, the redemption or repurchase of the securities can be made without deducting or withholding any amounts for or on account of taxes of any kind imposed, charged, retained or assessed by Luxembourg or a Luxembourg municipality, or a tax authority of Luxembourg or the municipality, with the possible exception of payments to (or, under certain circumstances, in the interests of) individual holders of securities domiciled in Luxembourg and certain so-called "entities" within the meaning of the EU Savings Directive.

#### ***Investors not resident in Luxembourg***

Pursuant to the Luxembourg laws of 23 July 2016 and 21 June 2005, as amended from time to time, for the implementation of the EU Savings Directive (the "Implementation Laws") and several treaties with certain dependent or associated territories (the "**Territories**"), since 1 January 2015 Luxembourg has no longer applied the previous system of withholding tax, and instead engages in the automatic exchange of information. Since 1 January 2016 the provisions of the expanded EU Administrative Cooperation Directive have been in effect.

In this context, Luxembourg paying agents (within the meaning of the EU Savings Directive) are required to report to the competent Luxembourg authorities all interest income and comparable income credited or disbursed to (or in the interests of) private individuals or so-called established entities resident or established in another member state of the European Union or the territories as of 1 January 2015. The above-mentioned responsible Luxembourg authority will forward the information thus received on interest income or comparable income to the competent authorities of the state of residence of the natural person or the state in which the entity is established or exists. The definition of comparable income within the meaning of the Implementation Laws includes interest arising or realised in connection with the disposal, reimbursement or redemption of claims. With regard to the so-called established entities, the Implementation Laws apply the definition in Article 4.2 of the EU Savings Directive, according to which a legal entity is not considered a paying agent if (a) it is not a legal person (the Finnish company types *avoin yhtiö* and *kommandiittiyhtiö / öppet bolag* and the Swedish company types *handelsbolag* and *kommanditbolag* are not considered legal persons in this regard), (b) its profits are not taxed under the general arrangements for business taxation; and (c) it is not an UCITS (undertakings for collective investment in transferable securities) recognised in accordance with Directive 85/611/EEC as amended through the Directive 2009/65/EC) or a similar investment fund.

### ***Investors resident in Luxembourg***

Under the Luxembourg law of 23 December 2005 as amended from time to time (the "**Law of 23 December 2005**"), a withholding tax of 20 % applies for interest income (i.e. interest income within the meaning of the Implementation Laws, with certain exceptions.)

Under the Law of 23 December 2005, a Luxembourg withholding tax of 20 % is collected on interest and similar income paid out by Luxembourg paying agents to natural persons resident in Luxembourg who are the economic beneficiaries of the payments. The same applies to interest and similar income collected by them in the direct interests of such persons. The party owing the withholding tax is the Luxembourg paying agent.

Moreover, under the Law of 23 December 2005, natural persons resident in Luxembourg may opt for self-assessment for their private asset management and pay a 20 % levy if they are the economic beneficiaries of interest payments paid by a paying agent located in another member state of the European Economic Area or a state or territory that has entered into a treaty referring directly to the EU Savings Directive. The decision to pay the 20 % levy must apply to all interest payments made by paying agents to the economic beneficiary resident in Luxembourg during the entire calendar year.

The above-mentioned 20 % withholding tax and the 20 % levy applies as fully paid if the natural persons resident in Luxembourg are engaged in the management of their personal assets.

### **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 and relevant double tax treaties.*

### **Taxation of a Polish tax resident individual**

#### ***Person tax resident in Poland***

According to the Personal Income Tax Act dated 26 July 1991, as amended (the "**PIT Act**") natural persons are subject to tax liability in the Republic of Poland relating to all their income (revenues) regardless of the location of the source of such revenues (unlimited tax liability) if they have their place of residence in the Republic of Poland (Polish tax residents). A person whose place of residence is in the Republic of Poland is a natural person who: (i) has his/her center of personal or economic interests (center of life interests) in the Republic of Poland; or (ii) stays in the Republic of Poland more than 183 days in a tax year (Article 3 Section 1 and 1a of the PIT Act).

Natural persons, if they do not reside in the territory of the Republic of Poland, are liable to pay tax only on income (revenue) earned in the territory of the Republic of Poland (limited obligation to pay tax). Income (revenues) gained in the Republic of Poland by the tax non-resident persons shall include in particular income (revenues) from:

- 1) economic activity pursued in the Republic of Poland, including through a foreign establishment located in the Republic of Poland;

- 2) securities and derivatives other than securities, admitted to public trading in the Republic of Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them.

These principles apply without prejudice to double taxation treaties entered into by Poland (Article 4a of the PIT Act).

### ***Withholding Tax on Interest Income***

According to Article 30a of the PIT Act, interest income, including discounts, derived by a Polish tax resident individual does not cumulate with general income subject to the progressive tax rate but is subject to a 19% flat rate tax.

In principle, withholding tax imposed outside Poland (in particular withholding tax on interest withheld in accordance with the respective double taxation treaty concluded between Poland and Germany), 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 avoiding double taxation.

Under Article 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 (this should be however subject to separate individual analysis as there are particular cases when such foreign payer would be obliged to act as a tax remitter). Under Article 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 the 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, in certain cases Polish banks or Polish brokerage houses maintaining securities accounts may refuse to withhold the tax based on the fact that they are acting only as an intermediary and therefore should not be obliged under Polish law to remit due tax. According to Article 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.

If an individual holds the Securities as a Polish 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.

Payments as resulting from the Securities could be subject to EU withholding tax pursuant to European Council Directive 2003/48/EC (the "**Savings Directive**"), if they are paid out by an Austrian paying agent to a natural person who has his or her domicile in Poland, unless certain disclosures regarding given individual are made.

### ***Income from Capital Investments***

Income other than interest derived by a Polish tax resident individual from financial instruments, which are held as non-business assets, should in principle qualify as capital income according to Article 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. In principle taxable income on sale of securities arises at the moment when the ownership is transferred to the purchaser. The payment receipt date has no influence on the tax point. The costs of acquiring the financial instruments are recognised at the time the revenue from their disposal is achieved.

Securities linked to base instruments such as shares, indexes, commodities, futures, funds and combinations thereof may be treated as financial derivatives for Polish tax purposes. The taxation of financial derivatives is a highly unregulated area and as such subject to varying interpretations in Poland thus it should be determined on the cases by case basis.

In principle, the revenue from disposal of derivatives and the exercising of rights attached thereto is subject to the capital gain tax (under Article 17 of the PIT Act) levied at flat rate tax of 19% (under

Article 30b of the PIT Act). The revenue under the exercise of rights attached to derivatives shall arise as at the moment of exercise of the rights.

Under Article 23.1(38a) of the PIT Act, any expenses incurred in relation to the acquisition of financial derivatives may be tax deductible only until the moment of realization of the derivatives, withdrawal from the derivatives or their disposal for consideration, unless the expenses are capitalized to the value of fixed assets/intangibles.

Additionally, if no tax is withheld by a tax remitter, after the end of a tax year, the taxpayer shall, in the annual tax return, disclose the income earned in said tax year from disposal of securities or derivatives and income from the exercising of rights attached thereto, and calculate the income tax due.

If an individual holds the Securities as a Polish 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.

A sale of shares/securities may – as a rule - be subject to a 1% tax on civil law transactions on the market value of the instruments sold, unless for instance conducted through a brokerage house. The transaction is taxable in the hands of the purchaser.

Furthermore, individuals who have their habitual residence in Poland or Polish citizenship are subject to Polish inheritance and gift tax on the transfer of Securities by way of either inheritance or donation. The tax rates depend on the valuation of the Securities transferred and relationship between the testator/donor and the inheritor/donee. Certain exemptions and thresholds for different taxation exist (for example in certain situation it may be possible to apply a tax exemption for disposals between close relatives such as children, parents, spouses, subject to the notification sent to the tax authority in due time).

## **Taxation of a Polish tax resident corporate income taxpayer**

### ***Corporate tax resident in Poland***

According to the Corporate Income Tax dated 15 February, 1992, as amended (the "**CIT Act**") a Polish tax resident corporate income taxpayer, is a legal person, including corporates (but also for instance joint stock partnership) having its registered office or place of management in Poland. In case of taxpayers who do not have their registered office or place of management in the territory of the Republic of Poland, only that income is subject to tax obligation earned by them in the territory of the Republic of Poland. Income (revenues) gained in the Republic of Poland by the tax non-resident entity shall include in particular income (revenues) from:

- 1) all types of activity pursued in the Republic of Poland, including through a foreign establishment located in the Republic of Poland;
- 2) securities and derivatives other than securities, admitted to public trading in the Republic of Poland as part of the regulated stock exchange market, including those obtained from the disposal of these securities or derivatives, or the exercise of rights resulting from them.

In principle, corporate income taxpayers 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. Small corporations are subject to a reduced tax rate of 15%. Typical investments funds or equivalent entities may apply a tax exemption.

Securities linked to base instruments such as shares, indexes, commodities, futures, funds and combinations thereof may be treated as financial derivatives for Polish tax purposes. The taxation of financial derivatives is a highly unregulated area and as such subject to varying interpretations in Poland thus it should be determined on the cases by case basis.

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 principle taxable income on sale of securities arises at the moment when the ownership is transferred to the purchaser. The payment receipt date has no influence

on the tax point. The revenue under the exercise of rights attached to derivatives shall occur as at the moment of exercise of the rights.

In respect of capital gains, the cost of acquiring the securities will be recognised at the time the revenue is achieved. Any expenses incurred in relation to the acquisition of financial derivatives may be tax deductible only until the moment of realization of the derivatives, withdrawal from the derivatives or their disposal for consideration, unless the expenses are capitalized to the value of fixed assets/intangibles.

A tax loss may be used to reduce other earnings subject to CIT for the five consecutive taxable years (however no more than 50% in any given year).

A sale of shares/securities may – as a rule - be subject to a 1% tax on civil law transactions on the market value of the instruments sold, unless for instance conducted through a brokerage house. The transaction is taxable in the hands of the purchaser.

### **Securities held by a non-Polish tax resident (natural person or corporation)**

Non-Polish residents are subject to Polish income tax only regarding their income earned in Poland (for more information please refer to the relevant sections above: *Person tax resident in Poland* and *Corporate tax resident in Poland*). If the Securities are issued by a foreign entity, the interest may be considered as having been earned in Poland for instance provided Securities are traded on the regulated market in Poland, related to real estate located in Poland or for instance the Securities are attributed to the permanent establishment of foreign entity (this issues should be subject to detailed analysis on a case by case basis). That should be however assessed in the view of the provisions of the relevant double taxation treaties that may modify the rules stipulated in the Polish CIT Act. Some treaties may for example provide the exemption from the capital gain tax in Poland on the disposal of the Securities<sup>11</sup>. To benefit from a relevant tax treaty, a foreign investor should present the valid 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.

### **Slovak Republic**

*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,

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<sup>11</sup> Exceptions may apply if the sale is made by resident of a country, with which Poland has signed double tax treaty including the so-called real estate clause (e.g. Austria, Denmark, Germany, Sweden, Luxembourg) and the sale concerns shares in a company whose assets comprise mainly properties located in Poland. Should this be the case, the profit on sale of shares may be taxable in Poland.

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 sale of 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. In addition, such income may be exempt from income tax if (i) it comes from the sale of Securities admitted to trading on a regulated market if they were held before the sale for at least a year (ii) in some cases, if it comes from sale of such Securities within the long term investment saving (investment of funds into portfolios administered through financial institutions and specifically regulated) after 15 years, in both case provided such securities were not part of the business property of the individual – entrepreneur. Taxable income from holding of the Securities, e.g. interest, is taxed (regardless of the tax base) at a tax rate of 19%. Taxable income from the Securities derived by individuals may be subject to obligatory health insurance contributions due in the Slovak Republic. It should be noted that the above information on tax rate and exemption(s) applies for the tax period of the year 2017 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 21% in the tax period of the year 2017. 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. In case of legal entities who are tax residents in the Slovak Republic and were not established for business activities (such as foundations), such entities may request benefit from Double Tax Treaty directly from the tax office in case of interests and other income from holding of the Securities or from selling the Securities. 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%.

## **Hungary**

*This Base Prospectus contains a general discussion of certain Hungarian 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 Hungary 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, nor does it be clear how these Securities will be treated.*

*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, also regarding the effect of any state or local taxes, under the tax laws of Hungary and each country of which they are tax residents. Only these advisers will be able to take into account appropriately the details relevant to the taxation of the respective Security Holders.*

### **Private person investors**

The taxation of individuals is regulated in Act CXVII of 1995 on Personal Income Tax ("**PIT Act**"). Hungary has a flat rate system, income (as determined by the law) is taxed at 15%. Income may also be subject to health care contributions as regulated by Act LXVI of 1998 on Health Care Contribution. Hungary has fully implemented the provisions of the Council Directive 2014/107/EU.

### ***Hungarian source income***

Hungarian resident individuals are taxed on their worldwide income, while non-resident individuals are taxed on their Hungarian source income. In the case of interest income the source of income is the country where the person paying the interest is resident, in the case of other income related to securities the source of income is the state where the recipient is resident.

### ***Interest income from securities***

Interest income from securities includes

interest on publicly issued debt instruments and collective investment vehicles and

capital gains from the alienation (other than those derived from stock exchange), cashing or redemption of debt instruments and collective investment vehicles.

The entire amount of interest received is considered as taxable income, no deductions can reduce the income. In the case of capital gains taxed as interest, the interest income equals to the sales/redemption price minus related acquisition costs. Tax liability arises on the date of payment or of crediting the amount of interest to the relevant account. Interest embedded in the purchase price of a security is deducted from the first interest payment after the purchase. Such interest cannot be taken into consideration later on as a cost of acquisition. Interest income is taxed at 15% (a proportionate part of interest incurred on securities issued prior to 2016 may be subject to tax at 16%).

The personal income tax on interest income derived in foreign currency is assessed in the currency of the income but should be paid in Hungarian forint. For the above purposes the amount of tax payable should be calculated at the MNB (Hungarian National Bank) currency spot exchange rate of the day when the income is received or credited.

Tax on interest income is withheld at source if paid by a Hungarian payment agent (e.g. financial institution). Deductions available in the case of capital gains considered as interest income can only be taken into consideration by the individual in his/her annual tax return. In the case of foreign source

interest income Hungarian resident individuals self-assess the personal income tax in their annual tax return.

Taxable interest income received by Hungarian resident individuals or non-resident individuals is not subject to health care contribution (as opposed to "capital gains" – see below).

Interest paid to EU resident individuals is not subject to Hungarian personal income taxation provided they are covered by the Council Directive 2014/107/EU. Interest paid to other non-resident individuals is withheld at domestic rate unless the individual provides the payer with a valid residence certificate. Should this be the case, tax is withheld at the applicable treaty rate.

### ***Capital gains***

Different rules apply to capital gains from controlled stock exchange transactions, and to other capital gains from the sale, cashing or redemption of securities.

Controlled stock exchange transactions – within the meaning of section 67 (3) of the PIT Act – are security transactions (other than swaps and transactions with privately issued securities) carried out on behalf of an individual by financial institutions or other institutionalised providers of stock exchange services supervised by the Hungarian National Bank or by a similar supervisory body in the EU. The sale of collective investment vehicles on stock exchange also qualifies as a controlled stock exchange transaction while capital gains from OTC sales are considered as interest income (see above).

Capital gains from controlled stock exchange transactions are calculated as the aggregated amount of gains and losses realized in the tax year. Such income is also subject to "tax equalisation", i.e. losses can be carried forward or backward for two years and offset against the tax otherwise payable on capital gains. Capital gains from controlled stock exchange transactions are taxed at a flat individual income rate of 15%. The capital gains need to be self-assessed and declared by the individual. The capital gains should be calculated on the basis of the purchase and sales data provided on each transaction by the service provider. Cost deductions also include stamp duties related to the purchase of the securities, service fees of financial service providers, and option prices. In the case of inherited securities the purchase price of the securities is deemed to be their inheritance value.

The personal income tax on capital gains (from controlled stock exchange transactions) derived in foreign currency is assessed in the currency of the income at the date of the alienation but should be paid in Hungarian forint. For the above purposes the amount of tax payable should be calculated at the MNB (Hungarian National Bank) currency spot exchange rate of the day of alienation, or when the income is received or credited.

Capital gains from controlled stock exchange transactions are not subject to health care contribution.

The tax on Hungarian source capital gains (from controlled stock exchange transactions) derived by non-resident individuals is withheld according to the domestic rate unless residency certificate is provided prior to payment. In this latter case the taxation right of gains will follow the regulation of the relevant tax treaty. Most Hungarian treaties grant no taxing rights to the source country (Hungary).

Other capital gains from the sale, cashing or redemption of securities are also taxed at 15% but capital gains/ losses are assessed individually, and no tax equalisation applies. The tax liability arises on the date of the sales contract.

The tax on other capital gains from securities is withheld at source if paid by a Hungarian paying agent (institution). Those deductions available in the case of other capital gains that were not taken into consideration by a paying agent can be dealt with by the individual in his/her annual tax return. Cost deductions also include stamp duties related to the purchase of the securities, service fees of financial service providers, and option prices. In the case of inherited securities the purchase price of the securities is deemed to be their inheritance value. The inheritance of securities may also be subject to inheritance tax depending on the degree of relationship.

In the case of foreign source other capital gains, Hungarian resident individuals self-assess the personal income tax in their annual tax return.

The personal income tax on other capital gains derived in foreign currency is assessed in the currency of the income at the date of the alienation but should be paid in Hungarian forint. For the above

purposes the amount of tax payable should be calculated at the MNB (Hungarian National Bank) currency spot exchange rate of the day of the alienation, or when the income is received or credited.

Taxable other capital gains received by Hungarian resident individuals are also subject to 14% health care contribution up to an aggregate ceiling of HUF 450.000 per annum. As a general rule the contribution is withheld by the payer unless the recipient declares that the amount of contribution paid during the tax year has already reached the ceiling.

### **Institutional investors**

Both interest income and capital gains from securities received by a Hungarian resident legal entity or other organisation subject to corporate income tax (Act LXXXI of 1996 on Corporate Income Tax) are treated as ordinary business income. Tax is levied at 9% on the taxable base. No corporate income tax is withheld on interest or capital gains paid to non-resident legal entities or organisations unless the income is effectively connected to their Hungarian permanent establishment.

### **Financial Transaction Fee**

Each bank transfer is subject to financial transaction fees at 0.3% of the transfer value but maximum 6.000 HUF per transaction. The financial transaction fee is withheld by the Hungarian bank from the bank account of the payer. Financial transaction fee is not deductible for the purposes of calculating a capital gain.

## **Bulgaria**

The information set out below represents a general overview of certain material Bulgarian tax law aspects that may be relevant for a potential investor in the Securities. The overview is not exhaustive and should not be construed as legal or tax advice to the potential investors. Thus, potential investors should consult their own professional tax advisors regarding the Bulgarian tax consequences (including the applicability and the effect of double taxation treaties) of acquiring, owning and disposing of Securities in their particular circumstances.

This overview is based on the laws of the Republic of Bulgaria as in effect by the date of this Prospectus and their prevailing interpretation available by such date. With respect to certain types of securities neither official statements of the tax authorities nor case law exist and thus, it is not entirely clear how these securities will be treated.

### *Withholding Tax*

Income paid or accrued on Securities, issued by the Issuer, is not subject to withholding tax in Bulgaria.

### *Income Tax*

Individuals and legal entities who are tax residents in the Republic of Bulgaria are subject to income tax (personal or corporate) on their worldwide income, regardless of its source, from owning and disposing of Securities.

An individual's taxable income from disposing (incl. sale and exchange) of Securities is the amount of the profits realised during the respective year for each particular transaction, debited with the amount of the losses realised during the same year for the same transaction. The realised profit/loss referred to in the previous sentence is determined by deducting the acquisition costs from the selling price. The profit is subject to a flat tax rate of 10%. The taxable income of the individuals may be subject to obligatory health insurance contributions due in Bulgaria.

In certain cases the individuals may be exempted from income tax. Such cases include:

- (i) interest payments and discounts made on Bulgarian government, municipal and corporate bonds; as well as on similar bonds issued according to the legislation of another Member State of the European Union or of a state which is a contracting party to the European Economic Area Agreement;

- (ii) any income from disposing of financial instruments, which, among others, include: transactions with units and shares in collective investment schemes and in national investment funds, shares, rights and government securities, effected on a regulated market; transactions concluded under the terms and according to the procedure of tender offering under Section II of Chapter Eleven of the Bulgarian Public Offering of Securities Act, or transactions of similar type in another Member State of the European Union, or in a state which is a contracting party to the European Economic Area Agreement; etc.

Legal entities holding Securities as business assets pay corporate income tax on the income from owning the Securities, as well as on the capital gain from disposing (incl. sale and exchange) of Securities, within their taxable profit. The taxable profit is the financial result adjusted for tax purposes. Accounting and reporting rules usually apply International Financial Reporting Standards (IFRS) or use local Bulgarian General Accepted Accounting Principles. Legal entities' taxable income derived from the Securities is taxed at a flat rate of 10%. Loss from disposing of securities is not always recognised for tax purposes.

#### *Double Tax Treaty*

If the income from the Securities is paid by a foreign legal entity, the latter could make withholdings pursuant to the laws of other jurisdictions. According to the provisions of the Double Tax Treaty concluded between the Republic of Bulgaria and the Federal Republic of Germany, in most of the cases where the Issuer is German tax resident and the potential investor is a Bulgarian tax resident:

- (i) the interest income from securities is subject to withholding tax capped at the rate of 5%; and
- (ii) the disposing income from securities is subject to taxation only in Bulgaria.

However, certain exceptions may apply, which are not described further herein. In order to benefit from the provisions of the Double Tax Treaty, the owner of the income may be required to follow certain procedures.

## **Croatia**

*The information set out below is a description of tax treatment of the acquisition, holding, sale, assignment and redemption of Securities in Republic of Croatia. The following overview is based on the laws of the Republic of Croatia which are currently in force and is intended to provide general information only. This overview does not take into account or discuss the tax laws of any country other than the Republic of Croatia nor does it take into account the individual circumstances, financial situation or investment objectives of an investor in the Securities.*

### ***Tax for individuals – personal income tax***

Individuals who are tax residents in Croatia are subject to income taxation (personal income tax) on their worldwide income, regardless of its source. This also includes income from Securities i.e. interests or other income, dividends and capital gains from the sale of the Securities.

Generally, for individuals the income from securities is considered as income from capital which is taxable at the fixed rate of 12% plus surtax (local municipality tax) and it is final income, meaning, tax paid on the mentioned income is final and the income is not included in the annual tax return neither is the individual required to submit the return.

Croatian tax legislation does not provide detail distinctions between various types of securities and generally recognize only income from equity instruments (dividend) and debt instruments (interest).

#### *Income from holding Securities of domestic issuer*

According to Croatian tax law provisions, income for individuals derived from holding securities (e.g. interest or dividends, redemption payments at maturity etc.) is subject to taxation on the source of income as withholding tax at the rate of 12% plus surtax.

Local tax law legislations define any kind of premium, yield or other remuneration realized above the amount of funds invested as income from interests.

Interests from bonds, regardless of the kind or the issuer, are not subject to taxation in Croatia.

It should be noted that Croatian tax provisions do not define in detail the differences between certain types of securities. As legislation exempts only bonds, it can be concluded that all other kinds of securities, including derivatives, are taxable at the rate of 12% plus surtax.

Due to the fact that the offered securities have a derivative component, we believe that redemption payments at maturity should be taxed as income from interest.

#### *Income from sale of Securities*

Capital gain or capital loss is calculated as the difference between the sale price (market value) and purchase price of a security and is taxable at the rate of 12% plus surtax. An individual is required to keep records of securities of the same kind that are bought and sold in a tax period. Taxes on capital gains are paid on an annual base when all capital losses are deducted from capital gains realized in the same tax period.

Taxation of capital gains is applicable for securities acquired after 1 January 2016. Also, securities which are sold after the holding period of 2 years (from the acquisition date) are exempt from taxation.

If an individual transfers securities (without remuneration) to a close family member (spouse, parents or children) the transfer is not taxable. However, if the person who receives the securities sells the same within a period of 2 years from the original acquisition of the security, the income is taxable as income from capital gains.

#### *Inheritance of Securities*

Generally, when an individual inherits securities, the tax on inheritance and gifts is paid at the rate of 4%. Inheritance from family in vertical line (i.e. spouses, ancestors, descendants and adopted family members) is exempt from taxation.

#### *Income derived from securities from abroad*

The income which a Croatian tax resident receives from abroad is subject to taxation in Croatia.

Generally, when an individual receives income directly from the issuer of the security from abroad, he is obliged to report the income himself and pay taxes accordingly. However, the tax treatment of such income also depends on existence of Double Tax Treaty between Croatia and other countries and in case there is no Double Tax Treaty, local law provisions are applied. In case of Germany, no withholding tax should be levied at the source state.

Only in case when a Croatian Bank is the one actually paying the interest, the taxes are automatically withheld at source.

#### ***Tax for business - subject to corporate income tax***

##### *Income from holding and sale of securities*

Corporate income tax in Croatia is set to a fixed rate of 18% (or 12% if the revenues in a tax period are lower than 3 million HRK). Croatian corporations (or other taxable person liable to corporate income tax) are taxed on all income, including interest and capital gain, as business income (revenue) at aforementioned flat rate.

##### *Withholding for foreign investors*

When a Croatian entity makes payments of interests from securities or dividends to foreign legal entities, taxes are generally withheld at the rate of 15% for interests, and 12% for dividends. However, withholdings tax is not paid in case interest is related to corporate or governmental bonds held by foreign investor (non-resident in Croatia) as well in some other specific cases (e.g. interest on loans paid to financial institutions). The foreign investor (non-resident in Croatia) can also potentially benefit from application of Double Tax Treaties and / or the EU Parent Subsidiary and EU Royalty Interest Directives.

## U.S. Withholding Tax

### *Payments under index linked Securities and equity linked Securities may be subject to U.S. withholding tax*

Section 871(m) of the US Internal Revenue Code ("**IRC**") and the provisions issued thereunder stipulate that for certain financial instruments (such as for the Securities) a withholding tax (of up to 30% depending on the application of income tax treaties) shall be imposed if the payment (or deemed payment) on the financial instruments is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States.

Pursuant to these US legal provisions, certain payments (or deemed payments) under certain equitylinked instruments that refer to the performance of US equities or certain indices that contain US equities, as an Underlying, shall be treated as dividend equivalents ("**Dividend Equivalents**") and shall be subject to U.S. withholding tax of 30% (or a lower income tax treaties rate). **This tax liability shall apply even if pursuant to the terms and conditions of the Securities no actual dividend-related amount is paid or a dividend-related adjustment is made and thus investors can only determine with difficulty or not at all any connection to the payments to be made in respect of the Securities.**

It is thus possible that these US provisions also apply to the Securities, particularly if an Underlying contains dividends from sources within the United States (e.g. US equities or certain indices that contain US equities). In such case US withholding tax may be due, pursuant to the relevant US provisions, on payments (or deemed payments) made in respect of Securities issued (or whose features have been modified significantly) after 1 January 2017 (however, the implementation rules issued for the US provisions stipulate that the tax liability will be phased in, not commencing until 1 January 2018 for some securities).

**The Issuer or the custodian of the Security Holder is entitled to deduct from payments made under the Securities any withholding tax accrued in relation to payments made under the Securities.** Furthermore, the Issuer is entitled to take any tax liability pursuant to section 871(m) of the IRC into account in original and continuous pricing of the Securities and to comply with the withholding obligation using provisions that have to be made accordingly. In case of Securities which allow for a deduction of fees, the withholding tax in accordance with section 871(m) of the IRC applied to dividend payments made in relation to the underlying or its components, reduces the reference price and, therefore, the redemption amount paid under the Securities. Investors should note that compliance with tax liability in this manner precludes the issue of tax certificates for tax payments rendered for individual investors and that no potential tax refund pursuant to the relevant US provisions may be claimed either. Moreover, a 30% tax rate is generally applied, also when taking account of the tax liability in continuously adjusting amounts, due to the necessity of using a uniform rate for all investors in all cases mentioned. A double taxation may occur in relation to payments made under the Securities.

If, on the basis of section 871(m) of the IRC, an amount of interest, principal or other payments on the Securities is deducted or withheld, neither the Issuer nor any paying agent, the custodian of the Security Holder or any other person pursuant to the terms and conditions of the Securities would be obliged to pay additional amounts to the Security Holders as a result of the deduction or withholding, in which case the Security Holders would thus potentially receive less interest or principal than expected. In the worst case, any payments to be made in respect of the Securities would be reduced to zero.

### *Payments under the Securities may be subject to withholding tax pursuant to the Foreign Account Tax Compliance Act (FATCA)*

Sections 1471-1474 of the United States Internal Revenue Code of 1986, as amended ("**IRC**") (commonly referred to as "**FATCA**"), generally impose a new reporting regime and a 30% withholding tax with respect to certain US-source payments (including dividends and interest) and with respect to gross proceeds from the disposition of property that may produce such US-source interest and dividends, and certain payments made by entities that are classified as financial institutions under FATCA, such as banks, insurance companies and many funds and capital markets

issuers. A financial institution which is not exempted from the FATCA regime must either (i) enter into an agreement with the Internal Revenue Service (an "**FFI Agreement**") or (ii) comply with the terms of an applicable intergovernmental agreement ("**IGA**") regarding the implementation of FATCA to avoid the imposition of the 30% withholding tax. Under an FFI Agreement or an applicable IGA, a financial institution will be required to identify, disclose and report information on its direct and indirect US accountholders (including certain non-US accountholders with US ownership).

On 31 May 2013, the Federal Republic of Germany entered into an IGA with the United States. Under this IGA, as currently drafted, a financial institution that is treated as resident in Germany and that complies with the requirements of the respective IGA will not be subject to FATCA withholding on payments it receives and will not be required to withhold on payments of non-U.S. source income. As a result, the Issuer does not expect payments made on or with respect to the Securities to be subject to withholding under FATCA.

No assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Securities in the future. You should consult with your US tax advisor for further information regarding the potential impact of FATCA.

## 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 BaFin 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 Issuer other than the approval and notification(s) mentioned above.

#### *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 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 the 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 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 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 at least on banking day prior to the respective offer and (ii), in case of an offer in Austria, a notification to the *Oesterreichische Kontrollbank*, as foreseen in the Austrian Capital Market Act of 1991 (as amended), has been filed at least one Austrian 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.

## *United States of America*

- (a) The Securities have not been and will not be registered under the Securities Act of 1933, as amended ("**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 when purchasing the Securities agrees 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 U.S. Treasury Regulation Section 5f.103-1 and the U.S. Internal Revenue Service ("**IRS**") Notice 2012-20, will be issued in accordance with the so-called "excise tax exemption" pursuant to the provisions of U.S. Internal Revenue Code of 1986, as amended, (the "**Code**") Section 4701(b)(1)(B) and U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) ("**TEFRA D Rules**") or U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(C) ("**TEFRA C Rules**"), as specified in the applicable Final Terms.

### Excise Tax

Code Section 4701 imposes an excise tax on an issuer who issues "registration-required obligations" which are not in registered form. The excise tax is equal to 1% of the principal amount of the obligation multiplied by the number of calendar years until the obligation reaches maturity. In accordance with IRS Notice 2012-20, certain securities are deemed to be in registered form (as discussed in more detail below). Furthermore, the IRS announced in Notice 2012-20 that it intends to provide guidance, which the IRS stated will be "identical" to the TEFRA C and TEFRA D rules, to clarify how certain securities that are not in registered form can qualify for the excise tax exemption.

### Notice 2012-20 Requirements

In Notice 2012-20, the IRS stated that it intends to issue future guidance providing that an obligation that is nominally issued in "bearer" form will be considered to be in registered form for U.S. federal income tax purposes if it is issued through a "dematerialized" book entry system or a clearing system in which the obligation is "effectively immobilized". An obligation is effectively immobilized if the only holder of physical global form (i.e., bearer) certificates is a clearing organisation, the physical certificates can only be transferred to a successor clearing organisation subject to the same terms, and the beneficial interests in the underlying obligation are only transferrable on a book entry system maintained by the clearing organisation. The obligation may be considered to be in registered form even if a physical certificate is available in bearer form in certain circumstances. Those circumstances are limited to termination of the clearing organisation's business, default by the issuer, or issuance of definitive securities at the issuer's request upon a change in tax law that would be adverse to the issuer unless securities are issued in physical bearer form.

In connection with Securities issued in accordance with the requirements of Notice 2012-20, the Issuer represents and agrees that it will comply with the requirements of Notice 2012-20, and it will require all those persons participating in the distribution of the Securities to represent and agree to comply with such requirements.

### TEFRA D Rules

In addition, in respect of Securities issued in accordance with the TEFRA D Rules, the Issuer represents and agrees that it will require all those persons participating in the distribution of the Securities to represent and agree 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 person, 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 U.S. 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 U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6);
- (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 U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4), 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 Code, U.S. treasury regulations promulgated thereunder and IRS *Notice 2012-20*.

### 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, 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 Code and U.S. treasury regulations promulgated thereunder.

Securities which are not issued in registered form (e.g., bearer securities) 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 U.S. 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."

### ***Authorisation***

The establishment of the Programme 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.

### ***Availability of Documents***

Copies of the articles of association of the Issuer, the consolidated annual reports in respect of the fiscal years ended 31 December 2015 and 2016 of the Issuer, the unconsolidated annual financial statements of the Issuer in respect of the fiscal year ended 31 December 2016 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*), the forms of the Global Notes, the Trust Agreement, the Pledge Agreement, 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 the Issuer 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 whose 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).

The Base Prospectus together with its documents incorporated by reference will also be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### ***Clearing System***

Securities may be cleared, separately or jointly, through Euroclear Bank SA/NV as operator of the Euroclear system (1 Boulevard du Roi Albert IIB, 1210 Brussels, Belgium) ("**Euroclear Bank**"), Clearstream Banking société anonyme, 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**"), 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 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.

Calculation Agent under the Programme is UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany.

Luxembourg Listing Agent under the Programme is BNP Paribas Securities Services, Luxembourg Branch, 33, rue de Gasperich, Howald – Hesperange, L-2085 Luxembourg, Luxembourg.

The 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 HVB's Financial Position and Trend Information***

The performance of HVB Group will also in 2017 depend on the future development on the financial and capital markets, and the real economy as well as on the imponderables related. In this environment, HVB Group reviews its business strategy on a regular as well as on an ad hoc basis and adopts it where necessary.

There has been (i) no significant change in the financial position of the HVB Group which has occurred since 31 December 2016, and (ii) no material adverse change in the prospects of the HVB Group since 31 December 2016, the date of its last published audited financial statements.

***Interest of Natural and Legal Persons involved in the Issue/Offer***

Any of the Distributors and their affiliates may be customers of, and borrowers from the Issuer and its 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 and its affiliates in the ordinary course of business.

***Third Party Information***

Where information has been sourced from a third party, the Issuer confirms that to the best of its knowledge this information has been accurately reproduced and that so far as the 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 Issuer is not bound regarding the use of the issue and offer proceeds.

***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, including documents incorporated by reference into these documents, whose information is not incorporated by express reference are not relevant for potential investors.

	<b>Pages of the document:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
<b>Registration Document of UniCredit Bank AG, dated 21 April 2017<sup>1)</sup></b>		
<b>Risk Factors</b>		
- Risks relating to the business activity of HVB Group	p. 3 to 14	p. 34
<b>Statutory Auditors</b>	p. 14	p. 79
<b>UniCredit Bank AG</b>		
- Information about HVB, the parent company of HVB Group	p. 15	p. 79
- Programme Transform 2019	p.15	p. 79
<b>Business Overview</b>		
- Principal Activities	p. 15	p. 79
- Business segments of HVB Group	p. 15 to 17	p. 79
- Principal Markets	p. 17	p. 79
<b>Management and Supervisory Bodies</b>	p. 17 to 19	p. 79
<b>Major Shareholders</b>	p. 19	p. 79
<b>Auditors</b>	p. 20	p. 79
<b>Legal and Arbitration Proceedings</b>	p. 20 to 22	p. 79
<b>Proceedings Related to Actions by the Regulatory Authorities</b>	p. 22	p. 79
<b>Audited financial statements of HVB Group for the fiscal year ended 31 December 2016 (Annual Report HVB Group 2016)<sup>2)</sup></b>		
- Consolidated Income Statement	p. 94 to 95	p. 79
- Consolidated Balance Sheet	p. 96 to 97	p. 79

	<b>Pages of the document:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
- Statement of Changes in Consolidated Shareholders' Equity	p. 98 to 99	p. 79
- Consolidated Cash Flow Statement	p. 100 to 101	p. 79
- Notes	p. 102 to 238	p. 79
- Independent Auditors' Report	p. 239	p. 79
<b>Audited unconsolidated financial statements (Jahresabschluss) of UniCredit Bank AG for the fiscal year ended 31 December 2016 (Annual Report UniCredit Bank AG (HVB) 2016)<sup>2)</sup></b>		
- Income Statement of UniCredit Bank AG	p. 82 to 83	p. 79
- Balance Sheet of UniCredit Bank AG	p. 84 to 89	p. 79
- Notes	p. 90 to 146	p. 79
- Auditors' Report	p. 147	p. 79
<b>Audited financial statements of HVB Group for the fiscal year ended 31 December 2015 (Annual Report HVB Group 2015)<sup>2)</sup></b>		
- Consolidated Income Statement	p. 114 to 115	p. 79
- Consolidated Balance Sheet	p. 116 to 117	p. 79
- Statement of Changes in Consolidated Shareholders' Equity	p. 118 to 119	p. 79
- Consolidated Cash Flow Statement	p. 120 to 121	p. 79
- Notes	p. 122 to 252	p. 79
- Independent Auditors' Report	p. 253	p. 79

	<b>Pages of the document:</b>	<b>Incorporation of information in this Base Prospectus on the following pages:</b>
<b>Base Prospectus of UniCredit Bank AG dated 12 May 2017 for the issuance of Single Underlying and Multi Underlying Securities (with partial capital protections)<sup>3)</sup></b>		
- Description of HVB Multi Manager Best Select Flex Index	p. 366 to 378	p. 298
- Description of HVB Multi Manager Best Select Flex Index II	p. 379 to 391	p. 298
- Description of HVB Vermögensdepot Wachstum Flex Index II	p. 392 to 407	p. 298
- Description of HVB Vermögensdepot Wachstum Flex Index III	p. 408 to 419	p. 298
- Description of HVB Star Funds Excess Return Risk Control Index	p. 420 to 429	p. 298
- Description of VP Klassik 70 Benchmark Index	p. 430 to 444	p. 298

<sup>1)</sup> The document is published on the following website of the Issuer:  
<http://www.onemarkets.de/de/rechtliches/registrierungsdokumente-uvp.html>

<sup>2)</sup> The document is published on the following website of the Issuer:  
<http://investors.hypovereinsbank.de/cms/english/investorrelations/index.html>

<sup>3)</sup> The document is published on the following website of the Issuer:  
<http://www.onemarkets.de/de/produkte/rechtliche-hinweise/basisprospekte.html>

## **NAMES AND ADDRESSES**

### **ISSUER**

UniCredit Bank AG  
Arabellastraße 12  
81925 Munich  
Germany

### **CALCULATION AGENT**

UniCredit Bank AG  
Arabellastraße 12  
81925 Munich  
Germany

### **PRINCIPAL PAYING AGENT**

UniCredit Bank AG  
Arabellastraße 12  
81925 Munich  
Germany

or

Citibank, N.A.  
London branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### **LUXEMBOURG LISTING AGENT**

BNP Paribas Securities Services  
Luxembourg Branch  
60, Avenue J.-F. Kennedy  
L-2085 Luxembourg  
Luxembourg

### **ISSUER'S AUDITOR**

Deloitte GmbH  
Wirtschaftsprüfungsgesellschaft  
Rosenheimer Platz 4  
81669 München  
Germany