

UniCredit Bank AG

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

UniCredit International Bank (Luxembourg) S.A.

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

guaranteed by



UniCredit S.p.A.

(incorporated with limited liability as a Società per Azioni in the Republic of Italy under registered number 00348170101)

in the case of Securities issued by UniCredit International Bank (Luxembourg) S.A.

Base Prospectus

for the issuance

of Fund-linked Securities

under the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG and the Euro 1,000,000,000 Debt Issuance Programme of UniCredit International Bank (Luxembourg) S.A.

20 October 2014

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

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

This Base Prospectus is to be read together with the information provided in (a) the registration document of UniCredit Bank AG dated 25 April 2014 (the "**Registration Document**"), whose information is incorporated herein by reference, (b) the supplements to this Base Prospectus, if any (the "**Supplements**"), (c) the 60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 2 July 2014 (the "**EMTN Programme**") and in any supplements thereto, (d) all other documents whose information is incorporated herein by reference (see "General Information – Information incorporated by reference in this Base Prospectus" below) as well as (e) the respective Final Terms.

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

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

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

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SUMMARY

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

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

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

A. INTRODUCTION AND WARNINGS

| | | |
|-----|---|--|
| A.1 | Warning | <p>This Summary should be read as an introduction to the Base Prospectus.</p> <p>The investor should base any decision to invest in the 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>[UniCredit Bank AG ("UniCredit Bank", the "Issuer" or "HVB"), Kardinal-Faulhaber-Straße 1, 80333 Munich][UniCredit International Bank (Luxembourg) S.A. ("UniCredit Bank Luxemburg", the "Issuer"), 8-10 rue Jean Monnet, L-2180 Luxembourg], which in its capacity as an Issuer assumes liability for the Summary including any translation thereof, may be held liable, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, or it does not provide, when read together with the other parts of the Base Prospectus, all necessary key information in order to aid investors when considering whether to invest in such Securities.</p> |
| A.2 | Consent to the use of the base prospectus | <p>[Subject to the following paragraphs, the Issuer [and the Guarantor] give[s] [its][their] consent to the use of the Base Prospectus during the term of its validity for subsequent resale or final placement of the Securities by financial intermediaries.]</p> <p>[Not applicable. The Issuer [and the Guarantor] [does] [do] not give[s] [its][their] consent to the use of the Base Prospectus for subsequent resale or final placement of the Securities by financial intermediaries.]</p> |
| | 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>][an offer period of twelve (12) months following the <i>[Insert date at which the Final Terms will be filed with CSSF]</i>.]</p> <p>[Not applicable. No consent is given.]</p> |
| | Other conditions attached to the consent | <p>[The Issuer's [and the Guarantor's] consent to the use of the Base Prospectus is subject to the condition that each financial intermediary complies with the applicable selling restrictions as well as the terms and conditions of the offer.</p> <p>[Moreover, the Issuer's [and the Guarantor] consent to the use of the Base</p> |

| | | |
|--|--|---|
| | | <p>Prospectus is subject to the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the Securities. This commitment is made by the publication of the financial intermediary on its website stating that the prospectus is used with the consent of the Issuer [and of the Guarantor] and subject to the conditions set forth with the consent.]</p> <p>Besides, the consent is not subject to any other conditions.]</p> <p>[Not applicable. No consent is given.]</p> |
| | Provision of terms and conditions of the offer by financial intermediary | <p>[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.]</p> <p>[Not applicable. No consent is given.]</p> |

B. ISSUER [AND GUARANTOR]

| | | |
|-------|--|--|
| [B.1] | Legal and commercial name | UniCredit Bank AG (together with its consolidated subsidiaries, the " HVB Group ") is the legal name. HypoVereinsbank is the commercial name. |
| B.2 | Domicile / Legal form / Legislation / Country of incorporation | UniCredit Bank has its registered office at Kardinal-Faulhaber-Straße 1, 80333 Munich and was incorporated in Germany as a stock corporation under the laws of the Federal Republic of Germany. |
| B.4b | Known trends affecting the issuer and the industries in which it operates | The performance of HVB Group will depend on the future development on the financial markets and the real economy in 2014 as well as other remaining imponderables. In this environment, HVB Group will continuously adapt its business strategy to reflect changes in market conditions and carefully review the management signals derived therefrom on a regular basis. |
| B.5 | Description of the group and the issuer's position within the group | <p>UniCredit Bank is the parent company of HVB Group. HVB Group holds directly and indirectly equity participations in various companies.</p> <p>UniCredit Bank has been an affiliated company of UniCredit S.p.A., Rome ("UniCredit S.p.A.", and together with its consolidated subsidiaries, "UniCredit") 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.</p> |
| B.9 | Profit forecast or estimate | Not applicable; no profit forecast or estimate is made. |
| B.10 | Nature of any qualifications in the audit report on historical financial information | <p>Not applicable. KPMG AG Wirtschaftsprüfungsgesellschaft, the independent auditors (<i>Wirtschaftsprüfer</i>) of UniCredit Bank for the financial year 2012, have audited the consolidated financial statements of HVB Group and the unconsolidated financial statement of UniCredit Bank as of and for the year ended 31 December 2012 and have issued an unqualified audit opinion thereon.</p> <p>Deloitte & Touche GmbH, Wirtschaftsprüfungsgesellschaft, the independent auditors (<i>Wirtschaftsprüfer</i>) of UniCredit Bank for the financial year 2013, have audited the consolidated financial statements of HVB Group and the</p> |

| | | unconsolidated financial statement of UniCredit Bank as of and for the year ended 31 December 2013 and have issued an unqualified audit opinion thereon. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|-----------------------------------|-------------------------|-------------------------|----------------------|----------------|----------------|---|-------|-------|-------------------|----------------|----------------|---------------------|----------------|----------------|---|------|------|--|------|------|--------------------|-------|-------|--|--|--|------------------------------|-------------------|-------------------|--------------|----------------|----------------|----------------------|---------------|---------------|------------------------------|------|------|--|--|--|---|-------------------|-------------------|---|---------------|---------------|-------------------------------|---------------|---------------|---|---------------|----------------|---|-------|-------|---|-------|-------|
| B.12 | Selected historical key financial information | <p>Consolidated Financial Highlights as of 31 December 2013*</p> <table border="1"> <thead> <tr> <th>Key performance indicators</th> <th>1/1 – 31/12/2013</th> <th>1/1 – 31/12/2012</th> </tr> </thead> <tbody> <tr> <td>Net operating income</td> <td>€1,839 million</td> <td>€1,807 million</td> </tr> <tr> <td>Cost-income ratio (based on operating income)</td> <td>63.6%</td> <td>58.1%</td> </tr> <tr> <td>Profit before tax</td> <td>€1,458 million</td> <td>€2,058 million</td> </tr> <tr> <td>Consolidated profit</td> <td>€1,074 million</td> <td>€1,287 million</td> </tr> <tr> <td>Return on equity before tax¹⁾</td> <td>7.1%</td> <td>9.2%</td> </tr> <tr> <td>Return on equity after tax¹⁾</td> <td>5.8%</td> <td>5.8%</td> </tr> <tr> <td>Earnings per share</td> <td>€1.29</td> <td>€1.55</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <th>Balance sheet figures</th> <th>31/12/2013</th> <th>31/12/2012</th> </tr> <tr> <td>Total assets</td> <td>€290.0 billion</td> <td>€347.3 billion</td> </tr> <tr> <td>Shareholders' equity</td> <td>€21.0 billion</td> <td>€23.3 billion</td> </tr> <tr> <td>Leverage ratio²⁾</td> <td>7.1%</td> <td>6.6%</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> <tr> <th>Key capital ratios compliant with Basel II</th> <th>31/12/2013</th> <th>31/12/2012</th> </tr> <tr> <td>Core capital without hybrid capital (core Tier 1 capital)</td> <td>€18.4 billion</td> <td>€19.1 billion</td> </tr> <tr> <td>Core capital (Tier 1 capital)</td> <td>€18.5 billion</td> <td>€19.5 billion</td> </tr> <tr> <td>Risk-weighted assets (including equivalents for market risk and operational risk)</td> <td>€85.5 billion</td> <td>€109.8 billion</td> </tr> <tr> <td>Core capital ratio without hybrid capital (core Tier 1 ratio)³⁾</td> <td>21.5%</td> <td>17.4%</td> </tr> <tr> <td>Core capital ratio (Tier 1 ratio)³⁾</td> <td>21.6%</td> <td>17.8%</td> </tr> </tbody> </table> <p>* Figures shown in this table are audited and taken from the Issuer's Consolidated Annual Report as of 31 December 2013</p> <p>¹⁾ Return on equity calculated on the basis of average shareholders' equity according to IFRS.</p> <p>²⁾ Ratio of shareholders' equity shown in the balance sheet less intangible assets to total assets less intangible assets</p> <p>³⁾ Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk.</p> | Key performance indicators | 1/1 – 31/12/2013 | 1/1 – 31/12/2012 | Net operating income | €1,839 million | €1,807 million | Cost-income ratio (based on operating income) | 63.6% | 58.1% | Profit before tax | €1,458 million | €2,058 million | Consolidated profit | €1,074 million | €1,287 million | Return on equity before tax ¹⁾ | 7.1% | 9.2% | Return on equity after tax ¹⁾ | 5.8% | 5.8% | Earnings per share | €1.29 | €1.55 | | | | Balance sheet figures | 31/12/2013 | 31/12/2012 | Total assets | €290.0 billion | €347.3 billion | Shareholders' equity | €21.0 billion | €23.3 billion | Leverage ratio ²⁾ | 7.1% | 6.6% | | | | Key capital ratios compliant with Basel II | 31/12/2013 | 31/12/2012 | Core capital without hybrid capital (core Tier 1 capital) | €18.4 billion | €19.1 billion | Core capital (Tier 1 capital) | €18.5 billion | €19.5 billion | Risk-weighted assets (including equivalents for market risk and operational risk) | €85.5 billion | €109.8 billion | Core capital ratio without hybrid capital (core Tier 1 ratio) ³⁾ | 21.5% | 17.4% | Core capital ratio (Tier 1 ratio) ³⁾ | 21.6% | 17.8% |
| Key performance indicators | 1/1 – 31/12/2013 | 1/1 – 31/12/2012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net operating income | €1,839 million | €1,807 million | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost-income ratio (based on operating income) | 63.6% | 58.1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit before tax | €1,458 million | €2,058 million | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Consolidated profit | €1,074 million | €1,287 million | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Return on equity before tax ¹⁾ | 7.1% | 9.2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Return on equity after tax ¹⁾ | 5.8% | 5.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Earnings per share | €1.29 | €1.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Balance sheet figures | 31/12/2013 | 31/12/2012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | €290.0 billion | €347.3 billion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shareholders' equity | €21.0 billion | €23.3 billion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leverage ratio ²⁾ | 7.1% | 6.6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Key capital ratios compliant with Basel II | 31/12/2013 | 31/12/2012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Core capital without hybrid capital (core Tier 1 capital) | €18.4 billion | €19.1 billion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Core capital (Tier 1 capital) | €18.5 billion | €19.5 billion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Risk-weighted assets (including equivalents for market risk and operational risk) | €85.5 billion | €109.8 billion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Core capital ratio without hybrid capital (core Tier 1 ratio) ³⁾ | 21.5% | 17.4% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Core capital ratio (Tier 1 ratio) ³⁾ | 21.6% | 17.8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <p>Consolidated Financial Highlights as of 30 June 2014*</p> <table border="1"> <thead> <tr> <th>Key performance indicators</th> <th>1/1 – 30/06/2014</th> <th>1/1 – 30/06/2013</th> </tr> </thead> <tbody> </tbody> </table> | Key performance indicators | 1/1 – 30/06/2014 | 1/1 – 30/06/2013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Key performance indicators | 1/1 – 30/06/2014 | 1/1 – 30/06/2013 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|----------------------------------|---|---------------------------------|---------------------------------|
| | | Net operating profit | €399 million | €1,121 million |
| | | Cost-income ratio (based on operating income) | 79.3% | 59.4% |
| | | Profit before tax | €513 million | €1,222 million |
| | | Consolidated profit | €334 million | €818 million |
| | | Return on equity before tax ¹⁾ | 5.1% | 11.8% |
| | | Return on equity after tax ¹⁾ | 3.1% | 8.1% |
| | | Earnings per share | €0.41 | €1.01 |
| | | | | |
| | | Balance sheet figures | 30/06/2014 | 31/12/2013 |
| | | Total assets | €298.6 billion | €290.0 billion |
| | | Shareholders' equity | €20.5 billion | €21.0 billion |
| | | Leverage ratio ²⁾ | 6.7% | 7.1% |
| | | | | |
| | | Key capital ratios | 30/06/2014 Basel III | 31/03/2014 Basel III |
| | | | | 31/12/2013 Basel II |
| | | Core capital without hybrid capital (core Tier 1 capital) | - | - |
| | | Common Equity Tier 1 capital | €18.9 billion | €19.0 billion |
| | | Core capital (Tier 1 capital) | €18.9 billion | €19.0 billion |
| | | Risk-weighted assets (including equivalents for market risk and operational risk) | €88.7 billion | €90.8 billion |
| | | Core capital ratio without hybrid capital (core Tier 1 ratio) ³⁾ | - | - |
| | | Common Equity Tier 1 capital ratio ³⁾ | 21.3% | 21.0% |
| | | Core capital ratio (Tier 1 ratio) ³⁾ | 21.3% | 21.0% |
| | | | | 21.6% |
| | | <p>* Figures shown in this table are unaudited and taken from the Issuer's Consolidated Interim Report as of 30 June 2014</p> <p>1) Return on equity calculated on the basis of average shareholders' equity with IFRS and projected profit before tax at 30 June 2014 for the year as a whole</p> <p>2) Ratio of shareholders' equity shown in the balance sheet less intangible assets to total assets less intangible assets</p> <p>3) Calculated on the basis of risk-weighted assets, including equivalents for market risk and operational risk</p> | | |
| | Statement of no material adverse | There has been no material adverse change in the prospects of HVB Group since 31 December 2013, the date of its last published audited financial statements (Annual Report 2013). | | |

| | change Statement of no significant change | Not applicable. There has been no significant change in the financial position of HVB Group since 30 June 2014. | | | | | | | | | | | | | | | | | | | | |
|---------------------|--|---|------------------|-----------------|--------------------|------------------|---------|---------|------|-----|-----|----------|-----|----|-----|-----|----------|-------|----|---|-----|----------|
| B.13 | Recent developments | 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 | Statement of dependency upon other entities within the group | UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital. | | | | | | | | | | | | | | | | | | | | |
| 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 for corporate customers and fund products for all asset classes, advisory and brokerage services, securities transactions, liquidity and financial risk management, advisory services for affluent customers and investment banking products for corporate customers.</p> | | | | | | | | | | | | | | | | | | | | |
| B.16 | Direct or indirect ownership or control | UniCredit S.p.A. holds directly 100% of UniCredit Bank's share capital. | | | | | | | | | | | | | | | | | | | | |
| [B.17] ¹ | Ratings | <p>[Not applicable. The Notes are not rated.]</p> <p>[Investors should keep in mind that a rating does not constitute a recommendation to purchase, sell or hold Securities issued by the Issuer.</p> <p>Moreover, the ratings awarded by the rating agencies may at any time be suspended, downgraded or withdrawn.</p> <p>The following ratings apply to UniCredit Bank (Status: August 2014):</p> <table border="1" data-bbox="488 1391 1394 1585"> <thead> <tr> <th></th> <th>Long Term Notes</th> <th>Subordinated Notes</th> <th>Short Term Notes</th> <th>Outlook</th> </tr> </thead> <tbody> <tr> <td>Moody's</td> <td>Baa1</td> <td>Ba1</td> <td>P-2</td> <td>negative</td> </tr> <tr> <td>S&P</td> <td>A-</td> <td>BBB</td> <td>A-2</td> <td>negative</td> </tr> <tr> <td>Fitch</td> <td>A+</td> <td>A</td> <td>F1+</td> <td>negative</td> </tr> </tbody> </table> <p>Fitch's long-term credit ratings are set up along a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C down to D. Fitch uses the intermediate modifiers "+" and "-" for each category between AA and CCC to show the relative standing within the relevant rating categories. Fitch's short-term ratings indicate the potential level of default within a 12-month period at the levels F1+, F1, F2, F3, F4, B, C and D.</p> <p>Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category.</p> | | Long Term Notes | Subordinated Notes | Short Term Notes | Outlook | Moody's | Baa1 | Ba1 | P-2 | negative | S&P | A- | BBB | A-2 | negative | Fitch | A+ | A | F1+ | negative |
| | Long Term Notes | Subordinated Notes | Short Term Notes | Outlook | | | | | | | | | | | | | | | | | | |
| Moody's | Baa1 | Ba1 | P-2 | negative | | | | | | | | | | | | | | | | | | |
| S&P | A- | BBB | A-2 | negative | | | | | | | | | | | | | | | | | | |
| Fitch | A+ | A | F1+ | negative | | | | | | | | | | | | | | | | | | |

¹ Information about section B.17 is only applicable in the case of Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

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| | | <p>ry, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-rating category. Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations and range from P-1, P-2, P-3 down to NP.</p> <p>S&P assign long-term credit ratings on a scale from AAA to D. The ratings from AA to CCC may be modified by the addition of a "+" or "-" to show the relative standing within the major rating categories. S&P may also offer guidance (termed a "credit watch") as to whether a rating is likely to be upgraded (positive), downgraded (negative) or uncertain (neutral). S&P assigns short-term credit ratings for specific issues on a scale from A-1, A-2, A-3, B, C down to D. Within the A-1 category the rating can be designated with a "+".</p> <p>Fitch, Moody's and Standard & Poors are established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time (the CRA Regulation) as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation (for more information please visit the ES-MA webpage).]]</p> |
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|------|---|--|
| [B.1 | Legal and commercial name of the Issuer | UniCredit International Bank (Luxembourg) S.A (" UniCredit International Luxembourg "). |
| B.2 | Domicile/ legal form/ legislation/ country of incorporation | UniCredit International Luxembourg is a public limited liability company (<i>société anonyme</i>) incorporated under the laws of the Grand Duchy of Luxembourg and domiciled in Luxembourg with registered office at 8-10 rue Jean Monnet, L-2180 Luxembourg. |
| B.4b | Trend information | Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year. |
| B.5 | Description of the Group | The UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of Legislative Decree No. 385 of 1 September 1993 as amended (the " Italian Banking Act ") under number 02008.1 (the " Group " or the " UniCredit Group ") is a leading financial services group with a well established commercial network in 17 countries, including Italy, Germany, Austria, Poland and several other Central and Eastern European (the " CEE ") countries. As at 31 December 2013, UniCredit Group is present in approximately 50 markets with almost 148,000 full time equivalent employees. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (<i>bancassurance</i>). |
| B.9 | Profit forecast or estimate | Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus. |

| B.10 | Audit report qualifications | Not Applicable - No qualifications are contained in any audit or review report included in the Base Prospectus. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--|---|--------------|--|------------|------------------------------------|------------------------------------|----------------------------|----|----|---------------|----|----|-----------------|-----|-----|--------|---|---|--------------------------|---|---|-------------------|---|---|------------|------------------------------------|------------------------------------|--------------|-------|-------|-----------------------------------|---|---|--------------------------------------|-----|-----|-----------|---|---|
| B.12 | <p style="text-align: center;">Selected historical key financial information:</p> <p style="text-align: center;">Income Statement</p> <p>The table below sets out summary information extracted from the audited consolidated annual financial statements as at and for each of the financial years ended 31 December 2013 and 31 December 2012 for UniCredit International Luxembourg:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">UniCredit International Luxembourg</th> <th colspan="2" style="text-align: center;">As at</th> </tr> <tr> <th style="text-align: left;">€ millions</th> <th style="text-align: center;">Year ended 31 December 2013</th> <th style="text-align: center;">Year ended 31 December 2012</th> </tr> </thead> <tbody> <tr> <td>Operating income of which:</td> <td style="text-align: center;">12</td> <td style="text-align: center;">13</td> </tr> <tr> <td>-net interest</td> <td style="text-align: center;">12</td> <td style="text-align: center;">12</td> </tr> <tr> <td>Operating costs</td> <td style="text-align: center;">(5)</td> <td style="text-align: center;">(5)</td> </tr> <tr> <td>Profit</td> <td style="text-align: center;">7</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Profit (loss) before tax</td> <td style="text-align: center;">7</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Net profit (loss)</td> <td style="text-align: center;">5</td> <td style="text-align: center;">6</td> </tr> </tbody> </table> <p style="text-align: center;">Statement of Financial Position</p> <p>The table below sets out summary information extracted from for UniCredit International Luxembourg's audited consolidated statement of financial position as at 31 December 2013 and 31 December 2012:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">€ millions</th> <th style="text-align: center;">Year ended 31 December 2013</th> <th style="text-align: center;">Year ended 31 December 2012</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td style="text-align: center;">3,187</td> <td style="text-align: center;">3,030</td> </tr> <tr> <td>Financial assets held for trading</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Loans and receivables with customers</td> <td style="text-align: center;">123</td> <td style="text-align: center;">105</td> </tr> <tr> <td>Financial</td> <td style="text-align: center;">2</td> <td style="text-align: center;">1</td> </tr> </tbody> </table> | | | UniCredit International Luxembourg | As at | | € millions | Year ended 31 December 2013 | Year ended 31 December 2012 | Operating income of which: | 12 | 13 | -net interest | 12 | 12 | Operating costs | (5) | (5) | Profit | 7 | 8 | Profit (loss) before tax | 7 | 8 | Net profit (loss) | 5 | 6 | € millions | Year ended 31 December 2013 | Year ended 31 December 2012 | Total assets | 3,187 | 3,030 | Financial assets held for trading | 2 | 1 | Loans and receivables with customers | 123 | 105 | Financial | 2 | 1 |
| UniCredit International Luxembourg | As at | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| € millions | Year ended 31 December 2013 | Year ended 31 December 2012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating income of which: | 12 | 13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| -net interest | 12 | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Operating costs | (5) | (5) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit | 7 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Profit (loss) before tax | 7 | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net profit (loss) | 5 | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| € millions | Year ended 31 December 2013 | Year ended 31 December 2012 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | 3,187 | 3,030 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial assets held for trading | 2 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans and receivables with customers | 123 | 105 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial | 2 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|--|--|-------|
| | liabilities held for trading | | |
| | Deposits from customers and debt securities in issue of which: | 2,496 | 2,278 |
| | - deposits from customers | 593 | 303 |
| | - securities in issue | 1,903 | 1,974 |
| | Shareholders' Equity | 250 | 244 |
| Statements of no significant or material adverse change | | | |
| Not applicable - there has been no significant change in the financial or trading position of UniCredit International Luxembourg since 31 December 2013. | | | |
| There has been no material adverse change in the prospects of UniCredit International Luxembourg since 31 December 2013. | | | |
| B.13 | Events impacting the Issuer's solvency | Not Applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency. | |
| B.14 | Dependence upon other group entities | <p>UniCredit International Luxembourg is a wholly owned subsidiary of UniCredit and owns a 100% interest in a subsidiary named UniCredit Luxembourg Finance S.A., whose principal object is the issue of securities in the US market under a USD 10 billion medium term note programme guaranteed by UniCredit S.p.A.</p> <p>Please also see Element B.5 above</p> | |
| B.15 | Principal activities | <p>UniCredit International Luxembourg is engaged in the business of banking and the provision of financial services. Its main business areas include treasury activities (money market, repurchase agreements or "repos", interest rate swaps, foreign exchange), issue of certificates of deposit and structured notes, selective investments for its own account, treasury services for institutional and corporate counterparties and management of the remaining credit portfolio.</p> | |
| B.16 | Controlling shareholders | <p>UniCredit International Luxembourg is a wholly owned subsidiary of UniCredit.</p> | |

| | | |
|--------------------|---|--|
| [B.17 ² | Ratings | [Not applicable. The Notes are not rated.] [UniCredit International Luxembourg is not rated.]] |
| B.18 | Description of the Guarantee | The due and punctual payment of all amounts payable by UniCredit International Luxembourg under this Base Prospectus in relation to the Securities issued by UniCredit International Luxembourg as well as the due and punctual performance and observance of each of the other provisions of this Base Prospectus on its part to be performed or observed in relation to such Securities will be irrevocably and – subject as provided in the Guarantee – unconditionally guaranteed by the Guarantor.] |
| [B.19 | Information about the Guarantor | |
| B.19 B.1 | Legal and commercial name of the Guarantor | UniCredit S.p.A. (" UniCredit ") |
| B.19 B.2 | Domicile/ legal form/ legislation/ country of incorporation | The Guarantor is a Società per Azioni incorporated under the laws of the Republic of Italy and domiciled in the Republic of Italy with registered office at Via A. Specchi 16, 00186, Rome, Italy. |
| B.19 B.4b | Trend information | Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Guarantor's prospects for its current financial year. |
| B.19 B.5 | Description of the Group | The UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 as amended (the " Italian Banking Act ") under number 02008.1 (the " Group " or the " UniCredit Group ") is a leading financial services group with a well established commercial network in 17 countries, including Italy, Germany, Austria, Poland and several other Central and Eastern European (the " CEE ") countries. As at 31 December 2013, UniCredit Group is present in approximately 50 markets with almost 148,000 full time equivalent employees. The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (<i>bancassurance</i>). |
| B.19 B.9 | Profit forecast or estimate | Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus. |
| B.19 | Audit report | Not Applicable - No qualifications are contained in any audit or review re- |

² Information about section B.17 is only applicable in the case of Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

| | | | | |
|--------------|---|---------------------------------------|--|---------------------------------------|
| B.10 | qualifications | port included in the Base Prospectus. | | |
| B.19 B.12 | Selected historical key financial information: | | | |
| | Income Statement | | | |
| | The table below sets out summary information extracted from the audited consolidated annual financial statements as at and for each of the financial years ended 31 December 2013 and 31 December 2012 for the UniCredit Group: | | | |
| | € millions | Year ended 31 December 2013 | Year ended 31 December 2012(**) | Year ended 31 December 2012(*) |
| | Operating income | 23,973 | 24,997 | 25,049 |
| | of which: | | | |
| | - net interest | 12,990 | 13,877 | 14,285 |
| | - dividends and other income from equity investments | 324 | 397 | 397 |
| | - net fees and commissions | 7,728 | 7,673 | 7,793 |
| | Operating costs | (14,801) | (14,816) | (14,979) |
| | Operating profit | 9,172 | 10,181 | 10,070 |
| | Profit (loss) before tax | (4,888) | 243 | 317 |
| | Net profit (loss) attributable to the Group | (13,965) | 865 | 865 |

(*) As published in "2012 Consolidated Reports and Accounts".

(**) Recasted, as published in "2013 Consolidated Reports and Accounts".

Comparative figures as at 31 December 2012 are different from those disclosed in the 2012 Consolidated Reports and Accounts as a result of the restatement, for comparative purposes, of interest income from impaired assets whose book value was written down and reversals connected with the passing of time from item "Net interest" to item "Net write-downs on loans and provisions for guarantees and commitments", as a result of the reclassification carried out by three Group companies in the first nine months of 2013.

Since 2013 gains on disposal or repurchase of available-for-sale financial assets and gains on disposal or repurchase of held-to-maturity investments have been reclassified to "Net trading income" in order to align their presentation in the condensed consolidated Income Statement with the standards of the major Italian and European banks. Such gains were previously included in "Net income from investments".

With reference to the Condensed Income Statement, since the third quarter of 2013:

- the positive profit and loss ("**P&L**") items relating to the rationalization of the supp

ort companies of the Group's Global Banking Services have been recorded in "Recovery of expenses" instead of "Net other expenses/income" in accordance with the economic substance of the transaction;

- some P&L items relating to the operations of one Group company have been reclassified (from "Net fees and commissions" to "Net interest") to better reflect their economic nature.

The comparative period was restated accordingly.

It should be noted that the 2012 figures differ from those disclosed in the "2012 Consolidated Reports and Accounts" as a result of the restatement, for comparison purposes, of the individual items that composed the profit/loss of some Group companies (PUBLIC JOINT STOCK COMPANY UNICREDIT BANK, BDK CONSULTING, PUBLIC JOINT STOCK COMPANY UKRSOTSBANK, PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL, LLC UKROTSBUD, LTD SI&C AMC UKRSOTS REAL ESTATE, SVIF UKRSOTSBUD), which as at 31 December 2013, in accordance with International Financial Reporting Standards – "*Non-current Assets Held for Sale*" ("**IFRS 5**"), were shown under item "310. Profit (loss) after tax from discontinued operations".

The figures in this table refer to the reclassified income statement.

The table below sets out summary information extracted from the consolidated interim reports as at 30 June 2014 and 30 June 2013 for the UniCredit Group:

| € millions | 30 June 2014 | 30 June 2013(**) | 30 June 2013(*) |
|-----------------------|--------------|------------------|-----------------|
| Operating income | 11,312 | 11,884 | 12,497 |
| of which: | | | |
| - net interest | 6,256 | 6,132 | 6,617 |
| - dividends and other | 370 | 408 | 170 |

| | | | | |
|--|--|--|---|--|
| income from equity investments | | | | |
| - net fees and commissions | 3,836 | 3,713 | 3,969 | |
| Operating costs | (6,926) | (7,060) | (7,434) | |
| Operating profit | 4,385 | 4,824 | 5,064 | |
| Profit (loss) before tax | 2,446 | 1,836 | 1,859 | |
| Net profit attributable to the Group | 1,116 | 810 | 810 | |
| <p>(*) As published in "Consolidated First Half Financial Report as at June 30, 2013"</p> <p>(**) Recasted, as published in "Consolidated First Half Financial Report as at June 30, 2014"</p> <p>As from the first quarter of 2014, the results of the industrial companies consolidated line by line will be shown in "Net Other Expenses/Income" in order to focus the P&L lines on the pure banking activities. The previous period has been restated accordingly.</p> <p>In addition, the comparative figures as at 30 June 2013 have been restated – following the introduction of IFRS 10 and IFRS 11 – as a result of the restatement of all the items that composed the profit/loss of some Ukrainian Group companies (PUBLIC JOINT STOCK COMPANY; UNICREDIT BANK; BDK CONSULTING; PUBLIC JOINT STOCK COMPANY UKRSOTSBANK; PRIVATE JOINT STOCK COMPANY; FERROTRADE INTERNATIONAL; LLC UKROTSBUD; LTD SI&C AMC UKRSOTS REAL ESTATE; SVIF UKRSOTSBUD), which in accordance with IFRS 5, have been included in item "310. Profit (loss) after tax from discontinued operations".</p> <p style="text-align: center;">Statement of Financial Position</p> <p>The table below sets out summary information extracted from UniCredit Group's audited consolidated statement of financial positions as at and for the financial years ended 31 December 2013 and 31 December 2012:</p> | | | | |
| € millions | Year ended 31 December 2013 (***) | Year ended 31 December 2013 (***) | Year ended 31 December 2012 (**) | Year ended 31 December 2012 (*) |
| Total assets | 827,538 | 845,838 | 926,838 | 926,827 |
| Financial assets held for trading | 80,701 | 80,910 | 107,046 | 107,119 |
| Loans and receivables with customers | 484,309 | 503,142 | 544,443 | 547,144 |

| | | | | |
|--|---------|---------|---------|---------|
| of which: | | | | |
| - impaired loans | 39,746 | 39,815 | 42,929 | 44,058 |
| Financial liabilities held for trading | 63,799 | 63,169 | 99,123 | 99,123 |
| Deposits from customers and debt securities in issue | 557,764 | 571,024 | 578,066 | 579,965 |
| of which: | | | | |
| - deposits from customers | 393,498 | 410,930 | 407,615 | 409,514 |
| - securities in issue | 164,266 | 160,094 | 170,451 | 170,451 |
| Shareholders' Equity | 46,722 | 46,841 | 61,579 | 62,784 |
| <p>(*) As published in "2012 Consolidated Reports and Accounts".</p> <p>(**) Recasted, as published in "2013 Consolidated Reports and Accounts".</p> <p>(***) As published in "2013 Consolidated Reports and Accounts".</p> <p>(****) Recasted, as published in "Consolidated First Half Financial Report as at June 30, 2014".</p> <p>Comparative figures as at 31 December 2012 were restated following the introduction of the revised International Accounting Standards on employee benefits ("IAS 19R").</p> <p>As at 31 December 2013, in accordance with IFRS 5, the assets of the following companies were recognized under item "Non-current assets and disposal groups classified as held for sale" and item "Liabilities included in disposal groups classified as held for sale" as a result of their classification as "discontinued operations": PUBLIC JOINT STOCK COMPANY UNICREDIT BANK; BDK CONSULTING; PUBLIC JOINT STOCK COMPANY UKRSOTSBANK; PRIVATE JOINT STOCK COMPANY FERROTRADE INTERNATIONAL; LLC UKROTSBUD; LTD SI&C AMC UKRSOTS REAL ESTATE; SVIF UKRSOTSBUD. The previous periods were restated accordingly to increase comparability, pursuant to the regulations in force.</p> <p>Comparative figures as at 31 December 2013 have been restated following the introduction of IFRS 10 and IFRS 11.</p> <p>The figures in this table refer to reclassified balance sheet.</p> <p>The table below sets out summary information extracted from the consolidated interim report as at 30 June 2014 and 30 June 2013 for the UniCredit Group.:</p> | | | | |

| | € millions | 30 June 2014 | 30 June 2013(*) |
|---|--|--|-----------------|
| | Total assets | 838,689 | 889,632 |
| | Financial assets held for trading | 84,079 | 93,772 |
| | Loans and receivables with customers | 477,093 | 532,771 |
| | Financial liabilities held for trading | 63,637 | 77,216 |
| | Deposits from customers and debt securities in issue | 561,005 | 564,750 |
| | of which: | | |
| | - deposits from customers | 401,490 | 405,221 |
| | - securities in issue | 159,515 | 159,529 |
| | Shareholders' Equity | 48,937 | 61,322 |
| <p>(*) As published in "Consolidated First Half Financial Report as at June 30, 2013"</p> <p>Statements of no significant or material adverse change</p> <p>Not Applicable - There has been no significant change in the financial or trading position of UniCredit and the Group since 30 June 2014.</p> <p>There has been no material adverse change in the prospects of UniCredit and the Group since 31 December 2013.</p> | | | |
| B.19 B.13 | Events impacting the Guarantor's solvency | Not Applicable - There are no recent events particular to the Guarantor which are to a material extent relevant to the evaluation of the Guarantor's solvency. | |
| B.19 B.14 | Dependence upon other group entities | <p>The Guarantor is the parent company of the UniCredit Group and carries out, in addition to banking activities, organic policy, governance and control functions <i>vis-à-vis</i> its subsidiary banking, financial and instrumental companies.</p> <p>Please also see Element B.19 B.5 above.</p> | |
| B.19 B.15 | The Guarantor's Principal activities | <p>The Guarantor, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to the provisions of Article 61 of the Italian Banking Act, issues, when exercising these management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment of the requirements laid down by the Bank of Italy in the interest of the banking group's stability.</p> | |

| | | | | | |
|---------------------------|--------------------------|--|------------------------------|----------------|----------------------|
| B.19 B.16 | Controlling shareholders | Not Applicable - No individual or entity controls the Guarantor within the meaning provided for in Article 93 of the Legislative Decree No. 58 of 24 February 1998 (the " Financial Services Act "), as amended.] | | | |
| B.19 B.17 ³ | Ratings of the Guarantor | UniCredit S.p.A. has been rated: | | | |
| | | Description | Standard & Poor's | Moody's | Fitch ratings |
| | | Short Term Counterparty Credit Rating | A-2 | P-2 | F2 |
| | | Long Term Counterparty Credit Rating | BBB | Baa2 | BBB+ |
| | | Outlook | negative | negative | negative |

C. SECURITIES

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

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| | | <p>Garant Telescope Securities (the "Securities")]</p> <p>The Securities will be issued as [notes] [certificates] with Nominal Amount. "Nominal Amount" means [Insert]⁴.</p> <p>The holders of the Securities (the "Security Holders") are not entitled to receive definitive Securities.</p> <p>Common Code: [Insert]</p> <p>The ISIN [and the WKN] is specified in the additional table to the Summary.</p> |
| C.2 | Currency of the securities issue | The Securities are issued in [Insert] (the " Specified Currency "). |
| 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>Rights attached to the Securities</p> <p><u>[In the case of <i>Garant Securities, Fund Index Securities, Sprint Securities, Garant Basket and Garant Rainbow Securities, the following applies:</i></u></p> <p>The Securities do not bear interest.]</p> <p><u>[In the case of <i>Fund Index Performance Telescope Securities, Garant Performance Telescope Securities, Garant Performance Telescope Basket Securities, Fund Index Telescope Securities and Garant Telescope Securities, the following applies:</i></u></p> <p>The Securities do not bear interest.</p> <p>[Upon occurrence of an Income Payment Event (as specified in [C.10][C.15]),] [T][t]he Security Holders shall be entitled to payment of the respective Additional Amount (k) (as specified in [C.10][C.15]) on Additional Amount Payment Dates (k) (as specified in the Final Terms).]</p> <p><u>[In the case of <i>Fund Reverse Convertible Securities, insert:</i></u></p> <p>The Securities bear interest on their [Aggregate Nominal Amount][Nominal Amount] for the [relevant] Interest Period at [a fixed Interest Rate] [the Reference Rate] (as specified in the relevant Final Terms) and the relevant Interest Amount shall be paid on each Interest Payment Date (as specified in the relevant Final Terms). The relevant "Interest Amount" is calculated by multiplying the product of the Interest Rate applying for the relevant Interest Period and the [Aggregate Nominal Amount] [Nominal Amount] by the Day Count Fraction (as specified in the relevant Final Terms).</p> <p><u>[In the case of all floating-rate Securities with a Maximum Interest Rate, insert:</u></p> <p>If the Interest Rate determined for an Interest Payment Date is greater than the Maximum Interest Rate, then the Interest Rate for that Interest Payment Date shall be the Maximum Interest Rate.</p> <p>"Maximum Interest Rate" means [Insert].]</p> <p><u>[In the case of all floating-rate Securities with a Minimum Interest Rate, insert:</u></p> <p>If the Interest Rate determined for an Interest Payment Date is less than the Minimum Interest Rate, then the Interest Rate for that Interest Payment Date</p> |

⁴ In the case of Securities issued by UniCredit Bank, the Nominal Amount shall be not less than 1,000 Euro.

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| | | <p>shall be the Minimum Interest Rate.</p> <p>"Minimum Interest Rate" means <i>[Insert]</i>.]</p> <p>Upon automatic exercise on the Exercise Date (as defined in C.16) the Security Holder shall be entitled to payment of the Redemption Amount (as defined in C.15) <u><i>[In the case of Securities with Cash Settlement and Physical Delivery, insert:</i></u> or a delivery of a specified quantity of the Underlying] on the Maturity Date.</p> <p>Status of the Securities</p> <p>The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, at least <i>pari passu</i> with all other unsecured unsubordinated present and future obligations of the Issuer.</p> <p>Limitation of the rights</p> <p><u><i>[In the case of Garant Securities, Fund Index Securities, Garant Basket Securities, Garant Rainbow Securities, Fund Index Performance Telescope Securities, Garant Performance Telescope Securities, Garant Performance Telescope Basket Securities, Fund Index Telescope Securities, Garant Telescope Securities insert:</i></u></p> <p>The Issuer is entitled to make adjustments to the terms and conditions and to the conversion of the Securities.]</p> <p><u><i>[In the case of Fund Reverse Convertible Securities and Sprint Securities, insert:</i></u></p> <p>The Issuer is entitled to call the Securities and to make adjustments to the terms and conditions of the Securities.]</p> <p>Governing law of the Securities</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 [the laws of the Federal Republic of Germany][English law].</p> |
| [C.9 ⁵ | Nominal interest rate; the date from which interest becomes payable and the due dates for interest; where the rate is not fixed, description of the underlying on which it is based; maturity date and arrangements for the amortisation of the loan, | <p><u>Option 10 und 11: <i>In the case of Fund Index Telescope Securities and Garant Telescope Securities, insert:</i></u></p> <p>Interest Rate, Interest Start Date, Interest Payments Dates</p> <p>Not applicable. The Securities do not bear interest.</p> <p>Underlying</p> <p>Descriptions of the Underlying are specified in the additional table to the Summary. For further information about the performance of the Underlying and its volatility, please refer to the Website (or any successor website), as specified in the additional table to the Summary.</p> <p>Redemption</p> <p>Redemption on the Maturity Date will be made by payment of the Redemption Amount in the Specified Currency.</p> <p>The "Redemption Amount" is equal to the Minimum Amount.</p> <p>The "Maturity Date" and the "Minimum Amount" are specified in the additional table to the Summary.</p> <p>Payments</p> <p>All payments shall be made to <i>[Insert]</i> (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</p> |

⁵ Information about section C.9 is only applicable in the case of Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

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| | including the repayment procedures; an indication of yield; representation of debt security holders | <p>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>"Clearing System" means <i>[Insert]</i>.</p> <p>Method for calculating the yield</p> <p>Not applicable. The yield cannot be calculated at the time of the issue of the Securities.</p> <p>Representation of the Security Holders</p> <p>Not applicable. No representative exists.]</p> |
| [C.10 ⁶ | Description of the derivative component in the interest payment and how the investment is influenced by the value of the base instrument | <p><u>Option 10 and 11: In the case of Fund Index Telescope Securities and Garant Telescope Securities, insert:</u></p> <p>[Fund Index Telescope Securities] [Garant Telescope Securities] are Securities where the payment of the Additional Amount (k) is based on the Performance of the Underlying (k) (as specified in the Final Terms), taking into account the Participation Factor (as specified in the Final Terms) and the respective D (k) (as specified in the Final Terms).</p> <p><u>In the case of Quanto Securities, insert:</u></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p>[If an Income Payment Event occurs on an Observation Date (k) (as specified in the Final Terms), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Final Terms).</p> <p>An Income Payment Event means that R (k) (as specified in the Final Terms), as determined on the respective Observation Date (k), is greater than the Strike (as specified in the Final Terms).</p> <p>The "Additional Amount (k)" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Final Terms).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k), as determined using the following formula:</p> <p>The "Additional Amount (k)" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Final Terms).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]</p> <p>The value of the Securities during their term can rise if the value of the Underlying increases and can decline if the value of the Underlying falls (disregarding other factors affecting the value).]</p> |
| C.11 | Admission to trading on a regulated | [Application [has been] [will be] made for the Securities to be admitted to trading with effect from <i>[Insert expected date]</i> on the following regulated markets: <i>[Insert relevant regulated or unregulated market(s)]</i>][Luxembourg |

⁶ Information about section C.10 is only applicable in the case of Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

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| | market | <p>Stock Exchange].]</p> <p>[Application [has been][will be] made for the Securities to be admitted to trading with effect from [Insert] on the following equivalent market: [Insert]]</p> <p>[Not applicable. No application of the Securities to be admitted to trading on a regulated or equivalent market has been or is intended to be made.]</p> |
| [C.15 ⁷ | Effect of the underlying on the value of the securities | <p>[Option 1: <i>In the case of Garant Securities, insert:</i></p> <p>Garant Securities are Securities where the redemption on the Maturity Date is based on R (final) (as specified in C.19). The Security Holder receives at least the specified Minimum Amount. <u>[In the case of <i>Garant Securities</i>, where the Minimum Amount is less than the Nominal Amount, the following applies:</u> This Minimum Amount is less than the Nominal Amount.][<u>In the case of <i>Garant Cap Securities</i>, the following applies:</u> Furthermore, the Redemption Amount is not greater than the Maximum Amount.]</p> <p><u>[In the case of <i>Quanto Securities</i>, insert:</u></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> <p><u>[In the case of <i>Compo Securities</i>, insert:</u></p> <p>The Securities are issued as Compo Securities. Compo Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where no currency protection element is provided. The Security Holder consequently bears the full exchange rate risk during the term.]</p> <p><u>[In the case of <i>Garant Securities</i>, insert:</u></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "Redemption Amount"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) [converted by application of a FX Exchange Rate (as specified in the Final Terms)]. However, the Redemption Amount is not less than the Minimum Amount.]</p> <p><u>[In the case of <i>Garant Cap Securities</i>, insert:</u></p> <p><i>Redemption</i></p> <p>The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "Redemption Amount"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) [converted by application of a FX Exchange Rate (as specified in the Final Terms)]. However, the Redemption Amount is not less than the Minimum Amount and not greater than the Maximum Amount.]</p> <p>Floor Level, Participation Factor, Strike, Minimum Amount[, Maximum Amount or, respectively, the method for its specification] and Performance of the Underlying are specified in the relevant Final Terms.]</p> <p>[Option 2: <i>In the case of Fund Index Securities, insert:</i></p> <p>Fund Index Securities are Securities where the redemption on the Maturity Date is based on R (final) (as specified in C.19). The Security Holder receives at least the specified Minimum Amount. [<i>In the case of Fund Index Securities with a Minimum Amount which is less than the Nominal Amount,</i></p> |

⁷ Information about section C.15 is only applicable in the case of Securities where the Issuer is not obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Condition.

the following applies: The Minimum Amount is not less than the Nominal Amount.] [*In the case of Fund Index Securities with a Minimum Amount and Cap, the following applies:* Furthermore, the Redemption Amount is not greater than the Maximum Amount.]

*[In the case of **Quanto Securities**, insert:*

The Securities are issued as Quanto Securities. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]

[In the case of Fund Index Securities with a Minimum Amount, the following applies:

Redemption

The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "**Redemption Amount**"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)). However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Fund Index Securities with a Minimum Amount and Cap, the following applies:

Redemption

The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "**Redemption Amount**"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)). However, the Redemption Amount is not less than the Minimum Amount and not greater than the Maximum Amount.]

Floor Level, Participation Factor, Strike, Minimum Amount[, Maximum Amount or, respectively, the method for its specification] and Performance of the Underlying are specified in the relevant Final Terms.

]

[Option 3: In the case of Fund Reverse Convertible Securities, insert:

Fund Reverse Convertible Securities are Securities where the redemption on the Maturity Date is based on R (final) (as specified in C.19).

[In the case of Quanto Securities, the following applies:

The Securities are issued as Quanto Securities. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.] [*In the case of Quanto Securities with Physical Delivery, the following applies:* The quantity of the Underlyings to be delivered and/or of the Supplemental Cash Amount is increased or reduced before delivery according to the exchange rate movement in order to offset any exchange rate losses or gains during the term of the Securities.]

[In the case of Fund Reverse Convertible Securities with Cash Settlement, the following applies:

Redemption

The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "**Redemption Amount**"), determined as follows:

- If R (final) is equal to or greater than the Strike, then the Redemption Amount is equal to the Nominal Amount.
- If R (final) is less than the Strike, then the Redemption Amount is equal to

the Nominal Amount x R (final) / Strike.

The Strike or, respectively, the method for its specification are specified in the relevant Final Terms.]

[In the case of Fund Reverse Convertible Securities with Physical Delivery, the following applies:

Redemption

The Securities are redeemed on the Maturity Date as follows:

- If R (final) is equal to or greater than the Strike, then the Redemption Amount is equal to the Nominal Amount.
- If R (final) is less than the Strike, then the Securities are redeemed by delivery of Fund Shares (Underlying) in accordance with the Ratio and, where applicable, by payment of the Supplemental Cash Amount.

Strike or, respectively, the method for its specification, Ratio or, respectively, the method for its specification are specified in the relevant Final Terms.]

]

[Option 4: In the case of Sprint Securities, insert:

Sprint Securities are Securities where the redemption on the Maturity Date is based on R (final) (as specified in C.19).

[In the case of Quanto Securities, insert:

The Securities are issued as Quanto Securities. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]

[In the case of Compo Securities, insert:

The Securities are issued as Compo Securities. Compo Securities are Securities, where the Underlying Currency is not the same as the Specified Currency and no currency protection element is provided. The Security Holder consequently bears the full exchange rate risk.]

[In the case of Sprint Securities, insert:

Redemption

The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "**Redemption Amount**"), determined as follows:

- If R (final) is greater than the Strike, the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) [converted by application of a FX Exchange Rate (as specified in the Final Terms)].

- If R (final) is equal to or less than the Strike, then the Redemption Amount is equal to the Nominal Amount multiplied by the Performance of the Underlying [converted by application of a FX Exchange Rate (as specified in the Final Terms)].

Strike or, respectively, the method for its specification, Participation Factor and Performance of the Underlying are specified in the relevant Final Terms.]

[In the case of Sprint Cap Securities, insert:

Redemption

The Securities are redeemed on the Maturity Date by payment of the Redemption Amount (the "**Redemption Amount**"), determined as follows:

- If R (final) is greater than the Strike, the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) [converted by application of a FX Exchange Rate (as specified in the Final Terms)].

However, the Redemption Amount is not greater than the Maximum Amount.

- If R (final) is equal to or less than the Strike, then the Redemption Amount is equal to the Nominal Amount multiplied by the Performance of the Underlying [converted by application of a FX Exchange Rate (as specified in the Final Terms)].

Strike or, respectively, the method for its specification, Participation Factor, Maximum Amount or, respectively, the method for its specification and Performance of the Underlying are specified in the relevant Final Terms.]

]

[Option 5: In the case of Garant Basket Securities, insert:

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

[In the case of Garant Basket Securities, insert:

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

The Redemption Amount is not less than the Minimum Amount.

Floor Level, Participation Factor, Strike, Minimum Amount and Performance of the Underlying are specified in the relevant Final Terms.]

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

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

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

Floor Level, Participation Factor, Strike, Minimum Amount, Maximum Amount and Performance of the Underlying are specified in the relevant Final Terms.]

]

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

Garant Rainbow Securities are Securities where the redemption on the Maturity Date depends on the performance of a basket as the Underlying. The basket consists of several Basket Components. The Performance of the Underlying (basket) is equal to the average Performance of the Basket Components, which are taken into account according to a Weighting that depends on their respective Performance. The Security Holder participates in the Perfor-

mance of the Underlying in accordance with the Participation Factor, benefiting from rising Performance of the Underlying in relation to the Strike. The Weighting of each Basket Component depends on its Performance: The highest Weighting is allocated to the Basket Component with the best Performance, the second-highest Weighting to the Basket Component with the second-best Performance, and so on. The Security Holder receives at least the specified minimum redemption payment. [In the case of **Garant Rainbow Securities** where the Minimum Amount is less than the Nominal Amount, the following applies: The Redemption Amount is less than the Nominal Amount.] [In the case of **Garant Cap Rainbow Securities**, the following applies: Furthermore, the Redemption Amount is not greater than the Maximum Amount.]

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

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

The Redemption Amount is not less than the Minimum Amount.

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

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

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

Definitions

| Name of the Basket Components | ISIN [Insert] | Basket Component _{i best} | Weighting _{i best} (W _i) |
|-------------------------------|------------------|------------------------------------|---|
| [Insert] | | i=1 (best Performance) | [Insert] |

"**Basket Component_{i best}**" means the following Basket Component:

"**Basket Component_{i best} (where i = 1)**" means the Basket Component with the best Performance.

"**Basket Component_{i best} (where i = 2,...N)**" means the Basket Component that is different from all Basket Components_{j best} (where j = 1,...(i-1)) with the best Performance, i.e. Basket Component_i with the second-best Performance, and so on.

"**Performance of the Underlying**" means the average Performance of the relevant Basket Components_{i best} (Performance_{i best}) taken into account according to their Weighting_{i best} (W_{i best}).

"**Performance_{i best}**" means the Performance of Basket Component_{i best}, determined from the quotient of K_{i best} (final), as the numerator, and K_{i best} (initial), as the denominator (as defined in each case in C.19).

Floor Level, Participation Factor, Strike, Minimum Amount [and Maximum Amount] are specified in the relevant Final Terms.

]

[Option 7: In the case of **Fund Index Performance Telescope Securities**, insert:

Fund Index Performance Telescope Securities are Securities where the redemption on the Maturity Date is based on the Performance of the Underly-

ing (as specified in the Final Terms). The Security Holder receives at least a specified minimum redemption payment. [In the case of Fund Index Performance Telescope Securities with a Minimum Amount where the Minimum Amount is less than the Nominal Amount, the following applies: The Redemption Amount is less than the Nominal Amount.] [In the case of Fund Index Performance Telescope Securities with a Minimum Amount and a Cap, the following applies: Furthermore, the Redemption Amount will not be greater than the Maximum Amount.]

Furthermore, [upon occurrence of an Income Payment Event,] on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the Performance of the Underlying (k) (as specified in the Final Terms), taking into account the Participation Factor (as specified in the Final Terms) and the respective D (k) (as specified in the Final Terms).

[In the case of **Quanto Securities**, insert:

The Securities are issued as Quanto Securities. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]

Additional Amount

[If an Income Payment Event occurs on an Observation Date (k), the respective Additional Amount (k) (as specified in the Final Terms) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Final Terms).

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

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

[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Final Terms).]

[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k), as determined using the following formula:

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

The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Final Terms).

[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]

[In the case of **Fund Index Performance Telescope Securities with a Minimum Amount**, the following applies:

Redemption

The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "**Redemption Amount**"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount.]

[In the case of **Fund Index Performance Telescope Securities with a Minimum Amount and a Cap**, the following applies:

Redemption

The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "**Redemption Amount**"). The Redemption Amount is equal to

the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount and shall not be greater than the Maximum Amount.]

The Floor Level, the Participation Factor (final), the Final Strike Level, the Minimum Amount [, the Maximum Amount or the method of its determination] and the Performance of the Underlying are specified in the Final Terms.
]

[Option 8: In the case of Garant Performance Telescope Securities, insert:

Garant Performance Telescope Securities are Securities where the redemption on the Maturity Date is based on the Performance of the Underlying (as specified in the Final Terms). The Security Holder receives at least one specified minimum redemption payment. [In the case of Garant Performance Telescope Securities with a Minimum Amount where the Minimum Amount is less than the Nominal Amount, the following applies: The Redemption Amount is less than the Nominal Amount.] [In the case of Garant Performance Telescope Securities with a Minimum Amount and a Cap, the following applies: Furthermore, the Redemption Amount will not be greater than the Maximum Amount.]

Furthermore, [upon occurrence of an Income Payment Event,] on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the Performance of the Underlying (k) (as specified in the Final Terms), taking into account the Participation Factor (as specified in the Final Terms) and the respective D (k) (as specified in the Final Terms).

[In the case of Quanto Securities, insert:

The Securities are issued as Quanto Securities. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]

Additional Amount

[If an Income Payment Event occurs on an Observation Date (k), the respective Additional Amount (k) (as specified in the Final Terms) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Final Terms).

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

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

[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Final Terms).]

[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k), as determined using the following formula:

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

The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Final Terms).

[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]

[In the case of Garant Performance Telescope Securities with a Minimum Amount, the following applies:

Redemption

The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "**Redemption Amount**"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount.]

[In the case of **Garant Performance Telescope Securities with a Minimum Amount and a Cap**, the following applies:

Redemption

The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "**Redemption Amount**"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount and shall not be greater than the Maximum Amount.]

The Floor Level, the Participation Factor (final), the Final Strike Level, the Minimum Amount [, the Maximum Amount or the method of its determination] and the Performance of the Underlying are specified in the Final Terms.
]

[Option 9: In the case of **Garant Performance Telescope Basket Securities**, insert:

Garant Performance Telescope Basket Securities are Securities where the redemption on the Maturity Date is based on the Performance of the Underlying. The Underlying is a basket consisting of a number of Basket Components. The Performance of the Underlying (basket) is equal to the average Performance of the Basket Components, which are taken into account according to their Weighting. The Security Holder participates in the Performance of the Underlying in accordance with the Participation Factor (final), benefiting from rising Performance of the Underlying in relation to the Final Strike Level. The Security Holder receives at least one specified minimum redemption payment. [In the case of **Garant Performance Telescope Basket Securities with a Minimum Amount** where the Minimum Amount is less than the Nominal Amount, the following applies: The Redemption Amount is less than the Nominal Amount.] [In the case of **Garant Performance Telescope Cap Basket Securities**, the following applies: Furthermore, the Redemption Amount will not be greater than the Maximum Amount.]

Furthermore, [upon occurrence of an Income Payment Event,] on the respective Additional Amount Payment Date (k) an Additional Amount (k) is paid, the amount of which depends on the Performance of the Underlying (k) (as specified in the Final Terms), taking into account the Participation Factor (as specified in the Final Terms) and the respective D (k) (as specified in the Final Terms).

[In the case of **Quanto Securities**, insert:

The Securities are issued as Quanto Securities. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]

Additional Amount

[If an Income Payment Event occurs on an Observation Date (k), the respective Additional Amount (k) (as specified in the Final Terms) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Final Terms).

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| | <p>An Income Payment Event means that the Performance of the Underlying (k) (as specified in the Final Terms) is greater than the Strike (as specified in the Final Terms).</p> <p>The "Additional Amount (k)" is equal to the Nominal Amount x (Performance of the Underlying (k) - Strike) x Participation Factor x 1/D (k).</p> <p>[The Additional Amount (k) is not greater than the Maximum Additional Amount (k) (as specified in the Final Terms).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k), as determined using the following formula:</p> <p>The "Additional Amount (k)" is equal to the Nominal Amount x (Performance of the Underlying (k) - Strike) x Participation Factor x 1/D (k).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Final Terms).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]</p> <p><u><i>[In the case of Garant Performance Telescope Basket Securities, the following applies:</i></u></p> <p>Redemption</p> <p>The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "Redemption Amount"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount.]</p> <p><u><i>[In the case of Garant Performance Telescope Cap Basket Securities, the following applies:</i></u></p> <p>Redemption</p> <p>The Securities will be redeemed on the Maturity Date at the Redemption Amount (the "Redemption Amount"). The Redemption Amount is equal to the Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying - Final Strike Level)). The Redemption Amount shall not be less than the Minimum Amount and shall not be greater than the Maximum Amount.]</p> <p>The Floor Level, the Participation Factor (final), the Final Strike Level, the Minimum Amount [, the Maximum Amount] and the Performance of the Underlying are specified in the Final Terms.</p> <p>]</p> <p><u><i>[Option 10 and Option 11⁸: In the case of Fund Index Telescope Securities and Garant Telescope Securities, insert:</i></u></p> <p>[Fund Index Telescope Securities] [Garant Telescope Securities] are Securities where the payment of the Additional Amount (k) is based on the Performance of the Underlying (k) (as specified in the Final Terms), taking into account the Participation Factor (as specified in the Final Terms) and the respective D (k) (as specified in the Final Terms).</p> <p><u><i>[In the case of Quanto Securities, insert:</i></u></p> <p>The Securities are issued as Quanto Securities. Quanto Securities are Securities where the Underlying Currency is not the same as the Specified Currency and where a currency protection element is provided. In the case of Quanto Securities, one unit of the Underlying Currency is equal to one unit of the Specified Currency.]</p> |
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Information about section C.15 is only applicable in the case of Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is not obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Condition.

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| | | <p>[If an Income Payment Event occurs on an Observation Date (k) (as specified in the Final Terms), the respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) (as specified in the Final Terms).</p> <p>An Income Payment Event means that R (k) (as specified in the Final Terms), as determined on the respective Observation Date (k), is greater than the Strike (as specified in the Final Terms).</p> <p>The "Additional Amount (k)" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k) (as specified in the Final Terms).]</p> <p>[The respective Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k), as determined using the following formula: The "Additional Amount (k)" is equal to the Nominal Amount multiplied by the Participation Factor and the Performance of the Underlying (k).</p> <p>The Additional Amount (k) is not less than the Minimum Additional Amount (k) (as specified in the Final Terms).</p> <p>[The Additional Amount (k) is not greater than the respective Maximum Additional Amount (k).]]</p> |
| [C.16 ⁹ | The expiration or maturity date of the derivative securities – the exercise date or final reference date | <p>The "Final Observation Date[s]" and the "Maturity Date" are defined in the table attached to this Summary.</p> <p>"Exercise Date" means the [last] Final Observation Date.</p> <p><u><i>[In the case of Securities with a Best-out feature, the following applies:</i></u></p> <p>"Best-out Period" means [Insert relevant day(s)] from and including the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]</p> <p><u><i>[In the case of Securities with a Worst-out feature, the following applies:</i></u></p> <p>"Worst-out Period" means [Insert relevant day(s)] between the First Day of the Worst-out Period (including) and the Final Observation Date (including).]]</p> |
| [C.17 ¹⁰ | Settlement procedure of the securities | <p>All payments shall be made to [Insert] (the "Principal Paying Agent"). The Principal Paying Agent shall pay the amounts due to the Clearing System for credit to the relevant accounts of the Custodian 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>"Clearing System" means [Insert].]</p> |
| [C.18 ¹¹ | Description of how any return on derivative securities | <p><u><i>[In the case of all Securities other than Fund Index Telescope Securities or Garant Telescope Securities, insert:</i></u></p> <p><u><i>[In the case of Fund Reverse Convertible Securities, the following applies:</i></u></p> <p>Payment of the Interest Amount on the Interest Payment Date.]</p> |

⁹ Information about section C.16 is only applicable in the case of Securities other than Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

¹⁰ Information about section C.17 is only applicable in the case of Securities other than Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

¹¹ Information about section C.18 is only applicable in the case of Securities other than Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

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| | takes place | <p><u><i>[In the case of Securities with Cash Settlement, insert:</i></u> Payment of the Redemption Amount on the Maturity Date upon automatic exercise.]</p> <p><u><i>[In the case of Fund Reverse Convertible Securities with Cash Settlement or Physical Delivery insert:</i></u> Payment of the Redemption Amount on the Maturity Date or delivery of the Underlyings (and, in case, payment of the Supplemental Cash Amount) within five Payment Days after the Maturity Date upon automatic exercise.]]</p> <p><u><i>[In the case of Fund Index Telescope Securities and Garant Telescope Securities, insert:</i></u> The Securities will be redeemed on the Maturity Date at the Redemption Amount in the Specified Currency. The "Redemption Amount" is equal to the Minimum Amount. The "Minimum Amount" is defined in the additional table to the Summary.]]</p> |
| [C.19 ¹² | Exercise price or final reference price of the underlying | <p><u><i>[In the case of Garant Securities, the following applies:</i></u> <u><i>[In the case of Securities with final reference price observation, the following applies:</i></u> <u><i>[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:</i></u> "R (final)" means the value of the product of Reference Price (as defined in the additional table to the Summary) and Reference Price Adjustment Factor (as defined in the relevant Final Terms) on the Final Observation Date (as defined in C.16).] <u><i>[In other cases, the following applies:</i></u> "R (final)" means the Reference Price (as defined in the additional table to the Summary) on the Final Observation Date (as defined in C.16).] <u><i>[In the case of Securities with final average observation, the following applies:</i></u> <u><i>[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:</i></u> "R (final)" means the equally weighted average of the products of Reference Prices (as defined in the additional table to the Summary) and Reference Price Adjustment Factors, determined on the Final Observation Dates (as defined in C.16).] <u><i>[In other cases, the following applies:</i></u> "R (final)" means the equally weighted average of the Reference Prices (as defined in the additional table to the Summary) determined on the Final Observation Dates (as defined in C.16).] <u><i>[In the case of Securities with Worst-out observation, the following applies:</i></u> <u><i>[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency,</i></u></p> |

¹² Information about section C.19 is only applicable in the case of Securities other than Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

the following applies:

"**R (final)**" means the lowest value of the product of Reference Price (as defined in the additional table to the Summary) and Reference Price Adjustment Factor during the Worst-out Period (as defined in C.16).]

[In other cases, the following applies:

"**R (final)**" means the lowest Reference Price (as defined in the additional table to the Summary) during the Worst-out Period (as defined in C.16).]

[In the case of Securities with Best-out observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-out Period.]

[In other cases, the following applies:

"**R (final)**" means the highest Reference Price (as defined in the additional table to the Summary) during the Best-out Period.]

]

*[In the case of **Fund Index Securities, Fund Reverse Convertible Securities and Sprint Securities, Fund Index Performance Telescope Securities, Garant Performance Telescope Securities** the following applies:*

[In the case of Securities with final Reference Price observation, the following applies:

"**R (final)**" means the Reference Price (as defined in the additional table to the Summary) on the Final Observation Date (as defined in C.16).]

[In the case of Securities with final average observation, the following applies:

"**R (final)**" means the equally weighted average of the Reference Prices (as defined in the additional table to the Summary) determined on the Final Observation Dates (as defined in C.16).]

[In the case of Securities with Worst-out observation, the following applies:

"**R (final)**" means the lowest Reference Price (as defined in the additional table to the Summary) during the Worst-out Period (as defined in C.16).]

[In the case of Securities with Best-out observation, the following applies:

"**R (final)**" means the highest Reference Price (as defined in the additional table to the Summary) during the Best-out Period (as defined in C.16).]

]

*[In the case of **Garant Basket Securities and Garant Performance Telescope Basket Securities**, the following applies:*

| ISIN | Basket Component _i | Reference Price _i |
|----------|-------------------------------|------------------------------|
| [Insert] | [Insert] | [Insert] |

[In the case of Securities with final reference price observation, the following applies:

"**K_i (final)**" means the Reference Price of the Basket Component_i on the Final Observation Date (as defined in C.16).]

| | | <p><u>[In the case of Securities with final average observation, the following applies:</u></p> <p>"K_i (final)" means the equally weighted average of the Reference Prices of the Basket Component_i, determined on the Final Observation Dates (as defined in C.16).]</p> <p><u>[In the case of Securities with Best-out observation, the following applies:</u></p> <p>"K_i (final)" means the highest Reference Price of the Basket Component_i during the Best-out Period.]</p> <p>]</p> <p><u>[In the case of Garant Rainbow Securities, the following applies:</u></p> <table border="1" data-bbox="488 595 1386 730"> <thead> <tr> <th>ISIN</th> <th>Basket Component_i</th> <th>Reference Price_i</th> </tr> </thead> <tbody> <tr> <td>[Insert]</td> <td>[Insert]</td> <td>[Insert]</td> </tr> </tbody> </table> <p><u>[In the case of Securities with final reference price observation, the following applies:</u></p> <p>"K_{i best} (final)" means the Reference Price of the Basket Component_{i best} on the Final Observation Date (as defined in C.16).]</p> <p><u>[In the case of Securities with final average observation, the following applies:</u></p> <p>"K_{i best} (final)" means the equally weighted average of the Reference Prices of the Basket Component_{i best}, determined on the Final Observation Dates (as defined in C.16).]</p> <p><u>[In the case of Securities with Best-out observation, the following applies:</u></p> <p>"K_{i best} (final)" means the highest Reference Price of the Basket Component_{i best} during the Best-out Period.]</p> <p>]]</p> | ISIN | Basket Component _i | Reference Price _i | [Insert] | [Insert] | [Insert] | | | | | | |
|-------------------------------|---|--|----------------------|-------------------------------|------------------------------|----------|-------------------------------|---|------------------|----------------------|----------|----------|----------|----------|
| ISIN | Basket Component _i | Reference Price _i | | | | | | | | | | | | |
| [Insert] | [Insert] | [Insert] | | | | | | | | | | | | |
| [C.20 ¹³ | Type of the underlying and description where information on the underlying can be found | <p><u>[In the case of Garant Securities, Fund Reverse Convertible Securities, Fund Index Securities, Sprint Securities, Fund Index Performance Telescope Securities and Garant Performance Telescope Securities, the following applies:</u></p> <p>Descriptions of the Underlying are specified in the additional table to the Summary. For further information about the performance of the Underlying and its volatility, please refer to the Website (or any successor website), as specified in the additional table to the Summary.]</p> <p><u>[In the case of Garant Basket Securities, Garant Rainbow Securities, Garant Performance Telescope Basket Securities the following applies:</u></p> <table border="1" data-bbox="488 1666 1402 1883"> <thead> <tr> <th colspan="4">ISIN: [Insert]</th> </tr> <tr> <th>Basket Component_i</th> <th>Currency of the Basket Component_i</th> <th>WKN_i</th> <th>Website_i</th> </tr> </thead> <tbody> <tr> <td>[Insert]</td> <td>[Insert]</td> <td>[Insert]</td> <td>[Insert]</td> </tr> </tbody> </table> <p>For further information about the performance of the Basket Components</p> | ISIN: [Insert] | | | | Basket Component _i | Currency of the Basket Component _i | WKN _i | Website _i | [Insert] | [Insert] | [Insert] | [Insert] |
| ISIN: [Insert] | | | | | | | | | | | | | | |
| Basket Component _i | Currency of the Basket Component _i | WKN _i | Website _i | | | | | | | | | | | |
| [Insert] | [Insert] | [Insert] | [Insert] | | | | | | | | | | | |

¹³ Information about section C.20 is only applicable in the case of Securities other than Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

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| | | and their volatility, please refer to the Website _i (or any successor website), as specified in the above table.]] |
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D. RISKS

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| D.2 | Key risks regarding the Issuer [and the Guarantor] | <p><u><i>[In the case of Securities issued by UniCredit International Luxembourg, the following applies:</i></u></p> <p>In purchasing Securities, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Securities. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due in respect of the Securities. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. The Issuer and the Guarantor have identified factors which could materially adversely affect their businesses and ability to make payments due under the Securities. These factors include:</p> <ul style="list-style-type: none"> • risks concerning liquidity which could affect the Group's ability to meet its financial obligations as they fall due; • the UniCredit Group's results of operations, business and financial condition have been and will continue to be affected by adverse macroeconomic and market conditions; • the European sovereign debt crisis has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition; • the Group has exposure to European sovereign debt; • financial regulators have requested that UniCredit Group companies reduce their credit exposure to other UniCredit Group entities, particularly their upstream exposure to UniCredit, which could have a material adverse effect on the way in which the UniCredit Group funds its operations and provides liquidity to members of the Group; • systemic risk could adversely affect the Group's business; • risks connected to an economic slowdown and volatility of the financial markets – credit risk; • deteriorating asset valuations resulting from poor market conditions may adversely affect the Group's future earnings; • the economic conditions of the geographic markets in which the Group operates have had, and may continue to have, adverse effects on the Group's results of operations, business and financial condition; |
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| | | <ul style="list-style-type: none"> • non-traditional banking activities expose the Group to additional credit risks; • unidentified or unanticipated risks, by their nature, might not be captured in the current Group's risk management policies; • fluctuations in interest and exchange rates may affect the Group's results; • changes in the Italian and European regulatory framework could adversely affect the Group's business; • implementation of the Third Basel Accord ("Basel III"), as transposed in European Union law through the amended Capital Requirement Directive and the Capital Requirements Regulation ("CRD IV Package") on, among others, quantity and quality of capital and liquidity buffers, which is not yet finally specified and could, have an adverse affect on Group's results of operations, business and financial condition; • forthcoming regulatory changes; • the so-called Single Supervisory Mechanism ("SSM") under which the European Central Bank ("ECB") will be responsible for conducting banking supervision in the euro area and other initiatives to create the so-called Banking Union; • the ECB is in the process of performing a comprehensive assessment of the Issuer and other European banks, the outcome of which is not yet known; • the bank recovery and resolution directive entered into force on 2 July 2014 and is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Securities; • as of 2016 the UniCredit Group will be subject to the provisions of the Regulation establishing the Single Resolution Mechanism; • the UniCredit Group may be subject to a proposed EU regulation on mandatory separation of certain banking activities; • the UniCredit Group may be affected by a proposed EU Financial Transactions Tax; • the UniCredit Group may be affected by new accounting and regulatory standards; |
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| | | <ul style="list-style-type: none"> • operational and IT risks are inherent in the Group’s business; • intense competition, especially in the Italian market, where the Group has a substantial part of its businesses, could have a material adverse effect on the Group’s results of operations and financial condition; • the Group may fail to implement its 2013-2018 Strategic Plan, a multi-year plan that contains forecasts of future trends and events in terms of both its respective business units and macroeconomic developments, as approved in March 2014 by the Board of Directors of the Group; • risks related to the goodwill impairment related to the Group's strategies and underlying macro scenario, and the parameters and information used to verify the recoverability of goodwill that are significantly influenced by the macroeconomic and market situation ("Goodwill Impairment Test"); • any rating downgrades of UniCredit or other entities of the Group would increase the re-financing costs of the Group and may limit its access to the financial markets and other sources of liquidity; • as at the date of this Base Prospectus, there are certain legal proceedings pending against UniCredit and other companies belonging to the Group; • the Group is involved in pending tax proceedings; • Information about the shareholding in the Bank of Italy.]] <p><i>[In the case of Securities issued by HVB, the following applies:</i></p> <p>Potential investors should be aware that in the case of the occurrence of one of the below mentioned risk factors the Securities may decline in value and that they may sustain a total loss of their investment.</p> <ul style="list-style-type: none"> • Credit Risk <p>(i) Risks connected to an economic slowdown and volatility of the financial markets; (ii) Deteriorating asset valuations resulting from poor market conditions may adversely affect HVB Group's future earnings; (iii) The economic conditions of the geographic markets in which HVB Group operates have had, and may continue to have, adverse effects on HVB Group’s results of operations, business and financial condition; (iv) Non-traditional banking activities expose HVB Group to additional credit risks; (v) Changes in the German and European regulatory framework could adversely affect HVB Group's business; (vi) Loan losses may exceed anticipated levels; (vii) Systemic risk could adversely affect HVB Group's business.</p> • Market Risk <p>(i) Difficult market situations can add to volatility in HVB Group's income; (ii) HVB Group’s income can be volatile related to trading activities and</p> |
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| | <p>fluctuations in interest and exchange rates.</p> <ul style="list-style-type: none"> • Liquidity Risk (i) Risks concerning liquidity which could affect HVB Group's ability to meet its financial obligations as they fall due; (ii) HVB Group's results of operations, business and financial condition have been and could continue to be affected by adverse macroeconomic and market conditions; (iii) HVB Group has significant exposure to weaker euro-zone countries. • Operational Risk (i) HVB Group's risk management strategies and techniques may leave HVB Group exposed to unidentified or unanticipated risks; (ii) IT risks; (iii) Risks arising from fraud in trading; (iv) Risks in connection with legal proceedings; (v) HVB Group is involved in pending tax proceedings. • Strategic Risk (i) Risk arising from the overall economic environment; (ii) The European sovereign debt crisis has adversely affected, and may continue to, adversely affect HVB Group's results of operations, business and financial condition; (iii) Risks from the strategic orientation of HVB Group's business model; (iv) Risks from the consolidation of the banking market; (v) Risks arising from changing competitive conditions in the German financial sector; (vi) The regulatory environment for HVB Group may change; non-compliance with regulatory requirements may result in enforcement measures; (vii) Risks from the introduction of new charges and taxes to stabilize the financial markets and involve banks in the sharing of costs for the financial crisis; (viii) The exercise of stress tests could adversely affect the business of HVB Group; (ix) HVB Group may be exposed to specific risks arising from the so-called Single Supervisory Mechanism ("SSM") under which the European Central Bank ("ECB") will be responsible for conducting banking supervision in the euro area and other initiatives to create the so-called EU Banking Union; (x) Risks in relation to prohibition/separation of certain activities from other banking business; (xi) Risks arising from a change in HVB's rating • Reputational Risk Adverse reactions by stakeholders due to a change of perception of the bank may have a negative impact on HVB Group's results of operations, business and financial position. • Business Risk Unexpected negative changes in the business volume and/or the margins (e.g., as a result of the ongoing sovereign debt crisis) can lead to serious losses in earnings, thereby diminishing the market value of a company. • Real Estate Risk Changes in the market value of the real estate portfolio of HVB Group may have an adverse impact on its financial position and results of operations. • Financial Investment Risk Fluctuations in market prices of HVB Group's portfolio of listed and unlisted shareholdings, financial investments and corresponding fund shares could lead to losses. • Pension Risk HVB Group has undertaken to provide pension plans to its current and former employees. Pension risks exist in connection with such pension plans which may require a provision of additional capital to service the vested pension commitments. • Risks arising from outsourcing activities |
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| | | Failures in the risk assessment process or in defining risk reducing measures in relation to an outsourcing of activities and processes to external service providers could lead to a negative impact on HVB Group's results of operations, business and financial position.] |
| [D.3 ¹⁴ | Key information on the key risks that are specific to the securities | <ul style="list-style-type: none"> • Potential conflicts of interest <p>Conflict of interest risk is related to the possibility that certain functions of the Issuers, distributors or agents or events with respect to the underlying Securities may be adverse to the interests of the Security Holders.</p> <ul style="list-style-type: none"> • Risks related to the market <p>(i) Risk that no active trading market for the Securities exists; (ii) Risks relating to the offering volume; (iii) Risks related to the market value of the Securities; (iv) Risks related to the expansion of the spread between bid and offer prices; (v) Currency risk with respect to the Securities; (vi) Risk related to hedging transactions.</p> <ul style="list-style-type: none"> • Risks related to the Securities in general <p>(i) Risks related to the suitability of the Securities; (ii) Credit risk of the Issuer; (iii) Possible limitations of the legality of purchase; (iv) The Guarantee may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability; (v) Risks arising from financial market turmoils, the German Bank Restructuring Act and other governmental or regulatory interventions; (vi) Risks due to the lack of own independent review; (vii) Risks arising from debt financing the purchase of the Securities; (viii) Risks arising from transaction costs; (ix) Risks with regard to determinations by the Calculation Agent; (x) Inflation risk; (xi) Risks in connection with a purchase of Securities for hedging purposes; (xii) Risks related to Taxation.</p> <ul style="list-style-type: none"> • Risk related to Underlying-linked Securities <p>(i) Risks arising from the influence of the Underlying on the market value of the Securities; (ii) Risks due to the lack of permanent distributions; (iii) Risks arising from the fact that the valuation of the Underlying occurs only at a specified date or time; (iv) Risks due to only partial capital protection by the Minimum Amount; (v) Risks arising from the negative impact of thresholds or limits; (vi) Risks in relation to a Participation Factor; (vii) Risks with respect to a Floor Level, a Strike Level, Final Strike Level and/or a Strike; (viii) Risks in relation to a ratio; (ix) Risks due to a limitation of potential returns to a Maximum Amount or an Maximum Additional Amount or due to other limitations; (x) Special risks in respect of Fund Index Performance Telescope Securities, Garant Performance Telescope Securities, Fund Index Telescope Securities, Garant Telescope Securities; (xi) Risks due to an Underlying/Basket consisting of a number of components; (xii) Risk of postponement or alternative provisions for the valuation of the Underlying; (xiii) Currency risk with respect to the Underlying; (xiv) Risks in relation to adjustment events; (xv) Risk of Market Disruptions; (xvi) Risk of regulatory consequences to investors when investing in Underlying-linked Securities; (xvii) Risks arising from negative effects of hedging arrangements by the Issuer on the Securities; (xviii) Risks arising from the Issuer's extraordinary call right; (xix) Risks arising from the Issuer's Conversion Right; (xx) Risks in the case of Physical Delivery; (xxi) Risks relating to fixed rate Securities; (xxii) Risks relating to Floater Securities, (xxiii) Special risks relating to reference rates and (xxiv) Risks due to a limitation of the interest rate to a</p> |

¹⁴ Information about section D.3 is only applicable in the case of Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

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| | <p>maximum interest rate.</p> <ul style="list-style-type: none"> • Risks related to the Underlying <ul style="list-style-type: none"> - General Risks of Fund Shares as Underlying or as component(s) of a Underlying <ul style="list-style-type: none"> (i) Similar risks to a direct investment in Fund Shares; (ii) No rights of ownership of the Underlying or its components; (iii) No entry in the register of members in the event of physical delivery of Registered Shares; (iv) No obligation to forward distributions; (v) Risks associated with Underlyings subject to emerging market jurisdictions. - Structural risks in the case of Fund Shares as the Underlying or as components of an Underlying <ul style="list-style-type: none"> (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. - General risks from investment activities in the case of Fund Shares as the Underlying or as components of an Underlying <ul style="list-style-type: none"> (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. - Specific risks relating to fund management in the case of Fund Shares as the Underlying or as components of an Underlying <ul style="list-style-type: none"> (i) Risks due to dependence on the fund managers; (ii) Risks in the event of limited disclosure of investment strategies; (iii) Risks due to possible changes of investment strategies; (iv) Risks due to the agreement of performance bonuses; (v) Risks due to "soft dollar" services; (vi) Risks arising from misconduct by the fund managers; (vii) Risks due to possible conflicts of interest. - Specific risks arising from assets purchased in the case of Fund Shares as the Underlying or as components of the Underlying <ul style="list-style-type: none"> (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). - Specific risks due to particular portfolio management techniques in the case of Fund Shares as the Underlying or as components of the Underlying <ul style="list-style-type: none"> (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 |
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| | | <p>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>[-Additional risks related to indices as Underlying</p> <p>(i) Similar risks to a direct investment in index components; (ii) No influence of the Issuer on the index; (iii) Risks of unrecognized 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>Investors may lose the value of their entire investment or part of it.]</p> |
| [D.6 ¹⁵ | Key information on the key risks that are specific to the securities | <ul style="list-style-type: none"> • Potential conflicts of interest <p>Conflict of interest risk is related to the possibility that certain functions of the Issuers, distributors or agents or events with respect to the underlying-linked Securities may be adverse to the interests of the Security Holders.</p> <ul style="list-style-type: none"> • Risks related to the market <p>(i) Risk that no active trading market for the Securities exists; (ii) Risks relating to the offering volume; (iii) Risks related to the market value of the Securities; (iv) Risks related to the expansion of the spread between bid and offer prices; (v) Currency risk with respect to the Securities; (vi) Risk related to hedging transactions.</p> <ul style="list-style-type: none"> • Risks related to the Securities in general <p>(i) Risks related to the suitability of the Securities; (ii) Credit risk of the Issuer; (iii) Possible limitations of the legality of purchase; (iv) The Guarantee may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability; (v) Risks arising from financial market turmoils, the German Bank Restructuring Act and other governmental or regulatory interventions; (vi) Risks due to the lack of own independent review; (vii) Risks arising from debt financing the purchase of the Securities; (viii) Risks arising from transaction costs; (ix) Risks with regard to determinations by the Calculation Agent; (x) Inflation risk; (xi) Risks in connection with a purchase of Securities for hedging purposes; (xii) Risks related to Taxation.</p> <ul style="list-style-type: none"> • Risk related to Underlying-linked Securities <p>(i) Risks arising from the influence of the Underlying on the market value of the Securities; (ii) Risks due to the lack of permanent distributions; (iii) Risks arising from the fact that the valuation of the Underlying occurs only at a specified date or time; (iv) Risks due to only partial capital protection by the Minimum Amount; (v) Risks arising from the negative impact of thresholds or limits; (vi) Risks in relation to a Participation Factor; (vii) Risks with respect to a Floor Level, a Strike Level and/or a Strike; (viii) Risks in rela-</p> |

¹⁵ Information about section D.6 is only applicable in the case of Securities other than Fund Index Telescope Securities and Garant Telescope Securities where the Issuer is obliged to pay the Security Holders at least 100% of the Nominal Amount due to the Terms and Conditions.

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| | <p>tion to a ratio; (ix) Risks due to a limitation of potential returns to a Maximum Amount or due to other limitations; (x) Specific risks in respect of Fund Index Performance Telescope Securities and Garant Performance Telescope Securities; (xi) Risks due to an Underlying/Basket consisting of a number of components; (xii) Risk of postponement or alternative provisions for the valuation of the Underlying; (xiii) Currency risk with respect to the Underlying; (xiv) Risks in relation to adjustment events; (xv) Risk of Market Disruptions; (xvi) Risk of regulatory consequences to investors when investing in Underlying-linked Securities; (xvii) Risks arising from negative effects of hedging arrangements by the Issuer on the Securities; (xviii) Risks arising from the Issuer's extraordinary call right; (xix) Risks arising from the Issuer's Conversion Right; (xx) Risks in the case of Physical Delivery; (xxi) Risks relating to fixed rate Securities; (xxii) Risks relating to Floater Securities, (xxiii) Special risks relating to reference rates and (xxiv) Risks due to a limitation of the interest rate to a maximum interest rate.</p> <ul style="list-style-type: none"> • Risks related to the Underlying <ul style="list-style-type: none"> - General Risks of Fund Shares as Underlying or as component(s) of a Underlying <ul style="list-style-type: none"> (i) Similar risks to a direct investment in Fund Shares; (ii) No rights of ownership of the Underlying or its components; (iii) No entry in the register of members in the event of physical delivery of Registered Shares; (iv) No obligation to forward distributions; (v) Risks associated with Underlyings subject to emerging market jurisdictions. - Structural risks in the case of Fund Shares as the Underlying or as components of an Underlying <ul style="list-style-type: none"> (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. - General risks from investment activities in the case of Fund Shares as the Underlying or as components of an Underlying <ul style="list-style-type: none"> (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. - Specific risks relating to fund management in the case of Fund Shares as the Underlying or as components of an Underlying <ul style="list-style-type: none"> (i) Risks due to dependence on the fund managers; (ii) Risks in the event of limited disclosure of investment strategies; (iii) Risks due to possible changes of investment strategies; (iv) Risks due to the agreement of performance bonuses; (v) Risks due to "soft dollar" services; (vi) Risks arising from misconduct by the fund managers; (vii) Risks due to possible conflicts of interest. - Specific risks arising from assets purchased in the case of Fund Shares as the Underlying or as components of the Underlying <ul style="list-style-type: none"> (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 securities; (iv) Specific risks involved with |
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| | | <p>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>[-Additional risks related to indices as Underlying</p> <p>(i) Similar risks to a direct investment in index components; (ii) No influence of the Issuer on the index; (iii) Risks of unrecognized 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>[The Securities are not capital protected.] Investors may lose the value of their entire investment or part of it.]</p> |
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E. OFFER

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| E.2b | Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks | The net proceeds from each issue of Securities will be used by the Issuer for their general corporate purposes. |
| E.3 | Description of the terms and conditions of the offer | <p>[Day of the first public offer: <i>[Insert]</i>.]</p> <p>[Issue Price: [up to] <i>[Insert]</i>]</p> <p>[A public offer will be made in [Germany][,] [and] [Austria][,] [and] [France][,] [and] [Luxembourg][,] [and] [Belgium][,] [and] [Ireland][,] [and] [United Kingdom][,] [and] [the Czech Republic][,] [and] [Poland][,] [and] [Slovakia].]</p> <p>[The smallest transferable unit is <i>[Insert]</i>.]</p> <p>[The smallest tradable unit is <i>[Insert]</i>.]</p> <p>The Securities will be offered to [qualified investors][,] [and/or] [retail inves-</p> |

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| | | <p>tors] [and/or] [institutional investors] [by way of [private placements] [public offerings]] [by financial intermediaries].</p> <p>[As of the day of the first public offer the Securities described in the Final Terms will be offered on a continuous basis.]</p> <p>[The continuous offer will be made on current ask prices provided by the Issuer.]</p> <p>[The public offer may be terminated by the Issuer at any time without giving any reason.]</p> <p>[No public offer occurs. The Securities shall be admitted to trading on a regulated 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 [initially] offered during a Subscription Period[, and continuously offered thereafter].</p> <p>Subscription Period: [<i>Insert start date of the subscription period</i>] to [<i>Insert end date of the subscription period</i>].</p> <p>The Issuer reserves the right to extend or shorten the Subscription Period or to withdraw the issue during the Subscription Period.]</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>[With regard to trading of the Securities the Issuer has a conflict of interest being also the Market Maker on the [<i>Insert relevant regulated or (an) unregulated market(s)</i>]; [moreover] [[T][t]he [<i>Insert relevant regulated or (an) unregulated market(s)</i>] is organized and managed by [<i>Insert name</i>], a company in which UniCredit S.p.A. – the Holding Company of UniCredit Bank AG as the Issuer – has a stake in.] [The Issuer is also the arranger and the Calculation Agent of the Securities.] [The Issuer or any of its affiliates may act as a calculation agent or paying agent.]</p> |
| E.7 | Estimated expenses charged to the investor by the Issuer or the distributor | <p>[Selling Concession: [<i>Insert details</i>]]</p> <p>[Other Commissions: [<i>Insert details</i>]]</p> <p>[Not applicable. No such expenses will be charged to the investor by the Issuers or a distributor.]</p> |

ADDITIONAL TABLE TO THE SUMMARY

| ISIN [/WKN] (C.1) | Reference Price (C.19) | [Final Observation Date (C.16)] | [Maturity Date (C.16)] | [Minimum Amount [(C.9) [(C.18)]] | Underlying (C.20) | Website (C.20) |
|-------------------|------------------------|---------------------------------|------------------------|----------------------------------|-------------------|-------------------|
| [<i>Insert</i>] | [<i>Insert</i>] | [<i>Insert</i>] | [<i>Insert</i>] | [<i>Insert</i>] | [<i>Insert</i>] | [<i>Insert</i>] |

RISK FACTORS

*The following is a disclosure of Risk Factors that, in the opinion of the Issuers and, if Securities are Guaranteed Securities, of the Guarantor, are material with respect to the Issuers, the Guarantor and to the securities issued under this base prospectus (the "**Base Prospectus**") (the "**Securities**") in order to assess the risk associated with these Securities. Moreover, further risks that are currently unknown or currently believed to be immaterial 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 they may sustain a **total loss** of their investment (e.g. in the case of a substantially unfavorable performance of the Underlying or of an insolvency of the Issuers).*

*The relevant final terms of the Securities (the "**Final Terms**") do not replace a consultation with a potential investor's house bank or financial adviser which will be indispensable in any case. Potential investors should review these Risk Factors carefully before deciding to purchase Securities.*

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

*Potential investors should consider all information provided in (a) this Base Prospectus and in any supplements thereto, (b) the registration document of UniCredit Bank AG dated 25 April 2014 (the "**Registration Document**"), the information of which is incorporated herein by reference, (c) the 60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 2 July 2014 (the "**EMTN Programme**"), the information of which is incorporated herein by reference and in any supplements thereto, (d) all documents the information of which is incorporated in the Base Prospectus by reference, and (e) the relevant Final Terms. An investment in the Securities is only suitable for 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 of such investments. 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 influence of such risk factor on the value of the Securities.*

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

A. Risks related to HVB

Potential investors should consider the information within the section entitled "Risk Factors" of the Registration Document, which is incorporated herein by reference as set out on page 381. This section contains information on risks which may affect the assets, liabilities and the financial position of HVB and its ability to fulfil its obligations arising from the Securities.

B. Risks related to UniCredit International Luxembourg and the Guarantor

Potential investors should consider the information within the section entitled "Risk Factors" of the EMTN Programme which is incorporated herein by reference as set out on page 383. This section contains information on risks which may affect the assets, liabilities and the financial position of UniCredit International Luxembourg and the Guarantor and their ability to fulfil their obligations arising from the Securities.

C. Risks related to potential conflicts of interest

1. General potential conflicts of interest

The below stated functions of the Issuer, the financial institution or the financial intermediary with whom the Issuer has entered into a distribution agreement (the "**Distributor**") (as defined below under "Potential conflicts related to other functions of the Issuer - calculation agent or paying agent") or any of their affiliates as well as the below mentioned transactions may have a negative impact on the market value of and/or the amounts payable and/or the quantity of Underlyings to be delivered under the Securities, which may be adverse to the interests of the Security Holders.

Potential conflicts of interest related to the Issue Price

The Securities will be sold 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 greater 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, 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 and any of its affiliates may, but are not obliged to, act as a market maker for the Securities. "**Market Making**" means the Issuer and any of its affiliates continuously quotes bid and offer prices at which the Issuer or any of its affiliates are prepared to trade the Securities in a certain volume. The prices may substantially deviate from the mathematical (intrinsic) value of the Securities. Market Making, carried out especially by the Issuer and any of its affiliates, may substantially influence the liquidity and/or the value of the Securities. The prices quoted by a market maker 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 subscribe the Securities at a price equivalent to or below the Issue Price. A periodic fee may be payable to the Distributors in respect of the Securities until maturity. The rate of the fee will be determined by the Issuer as well as the relevant Distributor and may vary. The Distributors agree to comply with the selling restrictions stated in the Base Prospectus. Distributors act independently and not as agents of the Issuer.

In particular, the Issuer may pay placement- and/or management fees in terms of sales-related commissions to the relevant Distributor. Placement fees are one-off payments. Alternatively, the Issuer can grant an appropriate discount on the Issue Price (without subscription surcharge). Payment of management fees is recurring and dependant on the volume of Securities issued.

Potential conflicts of interest related to other functions of the Issuer - 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 payable and/or the quantity of Underlyings to be delivered under the Securities and make adjustments or other determinations, as described in the Final Terms, by i.e. exercising reasonable discretion (in the case of Securities governed by German law pursuant to section 315 German Civil Code, *Bürgerliches Gesetzbuch*, "**BGB**"). The aforementioned calculations, adjustments and determinations may influence the value of, and/or the amounts payable and/or the quantity of Underlyings to be delivered under the Securities and therefore could cause conflicts of interest between the relevant entity on the one hand and the Security Holders on the other hand since, even if acting within its reasonable discretion, such calculations, adjustments and determinations could be disadvantageous for a Security Holder.

2. Potential conflicts of interest with respect to Underlying-linked Securities

Potential conflicts of interest related to transactions in respect of the Underlying

The Issuer or any of its affiliates may occasionally participate in transactions involving securities, fund shares, future contracts, commodities, indices or derivatives for their own account or for the account of their customers which may affect the liquidity or value of the Underlying (as defined below under "D.

Risks related to the Underlying") and the Securities and which may be adverse to the interests of the Security Holders.

Potential conflicts of interest related to the issuance of other securities

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

Potential conflicts of interest related to information with respect to the Underlying

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 information (also not publicly available) about the Underlying over the term of the Securities. The issuance of Securities related to such an Underlying does not create any obligation to disclose such information (whether or not confidential) to the Security Holders.

Potential conflicts of interest related to business activities with the issuers of Underlyings

The Issuer, any Distributor or any of their affiliates may deal with issuers of the Underlying, any of their affiliates, competitors or any guarantor and engage in any kind of commercial or investment banking or other business activities, as if the Securities issued under the Base Prospectus would not exist. Any such action may have a negative impact on the Underlying and the Securities accordingly and could be contrary to the interests of the Security Holders.

Potential conflicts related to other functions of the Issuer – member of a syndicate of banks etc.

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 a bank of the sponsor of the Underlying or of the issuer of the Underlying. The aforementioned functions may influence the amounts payable and/or the quantity of Underlyings to be delivered and therefore could lead to conflicts of interest between the Issuer and any of its affiliates with the Security Holders.

D. Risks related to the Securities

1. Risks related to the market

Risk that no active trading market for the Securities exists

The Securities will be newly issued securities, which may not be widely distributed and for which no active trading market may exist and may develop.

Generally, there is no assurance regarding the development or liquidity of a trading market for a particular tranche of Securities. Although applications could be made for the Securities to be admitted to the regulated market of any stock exchange or to any other market or trading system within the European Economic Area, there is no assurance that any such applications will be accepted, that a particular tranche of Securities will be admitted or that an active trading market will develop. Neither the Issuer nor any Distributor can therefore assure that a Security Holder will be able to sell its Securities at an adequate price prior to their maturity. If the Securities are not traded on any stock exchange or any other market or trading system, pricing information for the Securities may be more difficult to obtain which may have a negative effect on the liquidity and the market prices 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 or private agreement. Any Securities purchased in this way by the Issuer may be held, resold or cancelled.

If the Issuer acts as the only market maker for the Securities, the secondary market may become substantially limited. 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 expiration or, respectively until maturity or termination.

Risks related to the offering volume

The issue volume described in the Final Terms only constitutes the volume of the Securities offered for sale. This amount does not allow any conclusion on the volume of the actually issued Securities and thus on the liquidity of a potential secondary market associated with the same risks as stated above.

Risks related to the market value of the Securities

Prior to the settlement of the Securities, the Security Holders may only be able to realise revenue through a sale of the Securities in the secondary market. The price at which a Security Holder may be able to sell its Securities may be substantially less than the purchase price. The Issuer assumes no guarantee that the Securities may be sold at a certain price or that the spread between bid and offer prices will remain constant or within a certain range. Selling the Securities at a certain point of time at which the market value of the Securities is below the paid purchase price will result in the Security Holder suffering a loss.

The market value (or the market price) of the Securities will be affected by the creditworthiness of the Issuer and by a number of further factors such as the relevant prevailing interest and yield rates, the market for similar securities, the general economic conditions, the variations in the intensity of the fluctuation of values (volatility) of underlyings, the interference (correlation) between various underlyings, the fungibility or, as the case may be, the remaining term of the Securities. If the Securities are traded after their initial issuance, these factors may lead to a market value of the Securities being substantially below their Issue Price.

Risks related to the spread between bid and offer prices

During extreme 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 conclude hedging transactions, or when such transactions are very difficult to conclude, the spread between the bid and offer prices which will be quoted by it 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 less than the mathematical (intrinsic) value of the Securities at the time of the sale and will therefore suffer a loss.

Currency risk with respect to the Securities

The Securities may be denominated in a currency other than the currency of the jurisdiction where the investor is domiciled or where the investor seeks to receive funds. Exchange rates between currencies (the "**Currency Exchange Rates**") are determined by factors of supply and demand in the international currency markets, which are affected by macro-economic factors, speculations and intervention by the central banks and governments (including the imposition of currency controls and restrictions). Fluctuations in Currency Exchange Rates may have a negative impact on the value of the Securities and may result in a loss for the Security Holders. There may be other factors which are almost impossible to predict, such as psychological factors (e.g. a crisis of confidence in the political regime of a country), which also may have a material impact on the value of the relevant currency. Various different sources may be used as references for Currency Exchange Rates. If irregularities or manipulations occur in connection with the exchange rate determination of such sources, this could have material adverse effects on the Securities.

Risk related to hedging transactions

Security Holders may not be able to make transactions to preclude or limit risks arising from an investment in the Securities. Their ability to do so will depend on, *inter alia*, the relevant prevailing market conditions. In some cases investors may have to carry out such transactions only at a market price that is disadvantageous to them, so that a significant loss may occur.

2. Risks related to the Securities in general

Risks related to the suitability of the Securities

An investment in the Securities requires detailed knowledge of the features of the relevant Security. Investors should have experience with investing in structured securities which are referenced to Underlyings 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 of an investment in derivative securities;
- have the ability to evaluate the merits and risks in the context of their financial situation on the basis of appropriate analytical tools or, in case of lack of knowledge, have the possibility to take respective professional advice;
- are able to bear the economic risk of an investment in derivative 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.

Due to the dependence on the respective Underlyings, an investment in the Securities is associated with substantial risks which do not exist in the case of an investment in fixed or floating interest bearing traditional securities with a claim for redemption of the nominal amount.

Credit risk of the Issuer

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 its 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. The worse the creditworthiness of the Issuer is the higher is the risk of a loss. Such risk is not protected by 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.

Possible limitations of the legality of purchase

The purchase, holding and/or disposal of the Securities may from time to time be subject to restrictions which may have a negative effect on the fungibility and transferability and the value of the Securities. Neither the relevant Issuer nor any Distributor or any of their affiliates have assumed or assume responsibility towards any potential investor for the legality of the acquisition of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for the compliance by a potential investor with any law, regulation or regulatory policy applicable to it.

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

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

Enforcement of the Guarantee is subject to the detailed provisions contained therein. Such provisions include certain limitations reflecting mandatory provisions of Italian laws, such as that the payment obligations of UniCredit S.p.A. under the Guarantee shall at no time exceed an amount determined by the Guarantor in the Guarantee (the "**Maximum Guaranteed Amount**"). In relation to the issuance of

Securities such Maximum Guaranteed Amount is Euro 1,100,000,000. If the payment obligations of UniCredit S.p.A. under this Guarantee were to exceed such Maximum Guaranteed Amount, any and each Security Holder's claim under the Guarantee, including any and each Security Holder's claim for which payment has been previously made under the Guarantee, will be reduced pro rata so that the aggregate amount of such liabilities will not exceed the Maximum Guaranteed Amount, and any and each Security Holder who previously received payment under the Guarantee of an amount that exceeds such pro rata amount will have to repay the excess amount to the Guarantor upon demand of the Guarantor. Therefore, a certain risk does exist that the Security Holder's claim against the Guarantor are reduced, to the effect that the Security Holder's claim is actually not fully guaranteed.

Risks arising from financial market turmoils, the German Bank Restructuring Act and other governmental or regulatory interventions

Market turmoil in the international financial markets may affect inflation, interest rates, the price of securities, participation of other investors and thus almost all investments and may lead to (and in the past have led to) extensive governmental interventions. It is generally not possible to predict the structural and/or regulatory changes which may result from current and future market conditions or whether such changes may be materially adverse to the Securities and to their Underlyings, if any. However, the German legislator implemented a bank restructuring act (*Gesetz zur Restrukturierung und geordneten Abwicklung von Kreditinstituten, zur Errichtung eines Restrukturierungsfonds für Kreditinstitute und zur Verlängerung der Verjährungsfrist der aktienrechtlichen Organhaftung, Restrukturierungsgesetz*, the "**German Bank Restructuring Act**") as part of its reaction to the capital markets crisis which began in 2007. As a German credit institution HVB is subject to the German Bank Restructuring Act, which has introduced a special restructuring scheme for German credit institutions on 1 January 2011. This scheme consists of: (i) the restructuring procedure (*Sanierungsverfahren*) pursuant to sections 2 et seqq. of the German Act on the Reorganisation of Credit Institutions (*Kreditinstitute-Reorganisationsgesetz*, the "**KredReorgG**"), (ii) the reorganisation procedure (*Reorganisationsverfahren*) pursuant to sections 7 et seqq. of the KredReorgG, and (iii) the transfer order (*Übertragungsanordnung*) pursuant to sections 48a et seqq. of the German Banking Act (*Kreditwesengesetz*, the "**KWG**").

Whereas 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 rights of the credit institution's creditors including a reduction of existing claims or a suspension of payments. The measures proposed in the reorganisation plan are subject to a majority vote of the creditors and shareholders of the respective credit institution. Furthermore, the KredReorgG stipulates detailed rules on the voting process and on the required majorities and to what extent negative votes may be disregarded. Measures pursuant to the KredReorgG are instituted by the respective credit institution and after approval by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, the "**BaFin**").

Is the existence of the relevant credit institution endangered (*Bestandsgefährdung*) and does this endanger the stability of the financial system (*Systemgefährdung*), BaFin may issue a transfer order pursuant to which the credit institution will be forced to transfer whole or parts of its business activities or assets to a so-called bridge bank.

Claims of Security Holders may be negatively affected by the reorganisation plan, which can be adopted by majority vote. In the context of a transfer order, the initial debtor of Securities (HVB) may be replaced by another debtor (which may have a fundamentally different risk assumption or creditworthiness than HVB). Alternatively, the claims may remain with the original debtor, but this situation regarding the debtor's assets, business activity and/or creditworthiness may not be identical to the situation prior to the transfer order.

In addition, the German legislator has introduced the Second Financial Market Stabilisation Act (*Zweites Gesetz zur Umsetzung eines Maßnahmenpakets zur Stabilisierung des Finanzmarktes*) which went into force on 1 March 2012. Pursuant to such act, inter alia, the BaFin may impose regulatory measures on a German credit institution if the financial condition of such credit institution raises doubts whether such institute can constantly comply with the capital or liquidity requirements of the KWG. Even though such regulatory measures may not directly interfere with Security Holders' rights,

the fact that BaFin applies such measures towards a credit institution may have negative effects, e.g. on the pricing of Securities or on the institute's ability to refinance itself.

The Act of 7 August 2013 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*) provides that upon positions which are regarded by the legislator as being "risk inherent" having reached certain thresholds, the underlying transactions have to be transferred to a legally and financially independent financial trading institution (separation of banking activities). Furthermore, BaFin 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, including in particular that the original debtor of the Securities may be replaced by another debtor. Alternatively, the claims may continue to be towards the original debtor while the situation with regard to the debtor's assets, business activity and/or credit-worthiness may not necessarily be the same as before the transfer order.

Risks due to the lack of own independent review and advice of the investor

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 (or if the investor is acquiring the Securities in a fiduciary capacity, the trustee) financial needs, objectives and restrictions, and whether it is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and if it is a fit, proper and suitable investment for the investor (or if the investor is acquiring the Securities in a fiduciary capacity, for the trustee), notwithstanding the substantial risks inherent in investing in or holding the Securities. Otherwise, there is the risk of an unfavourable or unsuitable investment by such investor.

Risks arising from debt financing the purchase of the Securities

If a potential investor decides to finance the purchase of the Securities with funds borrowed from a third party, the investor should make sure in advance that he can still pay the interest and principal payments on the loan also in the event of a loss. In the case of a deferral or default of payments in relation to the Securities or of a decrease of the secondary market value of the Securities, the investor does not only have to bear the occurred loss, but also pay interest and repay the loan which has been taken up. The investor should not rely on gains or profits from the investment in the Securities in order to repay interest and principal of the loan when due and payable. In that case, 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 arising from transaction costs

In connection with the purchase, holding and disposal of the Securities, several types of incidental costs (including transaction fees and commissions) are incurred beside the purchase or sale price of the Securities. These incidental costs may significantly reduce or even eliminate any profit from holding the Securities.

Generally, 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, Security Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third-party costs). In addition to such costs directly related to the purchase of the Securities (direct costs), potential investors must also take into account any follow-up costs (such as custody fees). Additional costs may occur if other foreign or domestic entities are involved in the custody or the execution of an order. Before investing in the Securities, potential investors should inform themselves about any additional 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 rea-

sonable discretion in a commercially reasonable manner. Such determination may have an adverse effect on the value of the Securities and/or may delay the payments.

Inflation risk

Through the purchase of the Securities, the Security Holder is also exposed to an inflation risk. The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on a Security. If the inflation rate is equal to or greater than the nominal yield, the real yield is zero or even negative.

Risks in connection with a purchase of Securities for hedging purposes

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

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

Risks related to Taxation

The return on the Securities may be reduced through the tax impact on an investment in the Securities. Potential purchasers and sellers of Securities should be aware that they may be required to pay taxes or other charges or duties in accordance with the laws and practices of the country where the Securities are transferred to or held or other jurisdictions. 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 summary 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. Whilst the Securities are in global form and held within Euroclear Bank SA/NV or Clearstream Banking S.A. (together the "ICSDs"), in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") will affect the amount of any payment received by the ICSDs (see "*Payments under the Securities may be subject to withholding tax pursuant to the Foreign Account Tax Compliance Act (FATCA)*" in the Taxation section). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Securities are discharged once it has paid to or to the order of the common depository or common safekeeper for the ICSDs (as bearer or registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the ICSDs and custodians or intermediaries.

3. Risks related to Underlying-linked Securities

Generally, an investment in Securities where the principal is determined by reference to an Underlying

(the "**Underlying linked-Securities**"), may entail significant risks not associated with comparable investments in conventional debt securities. The value of an Underlying-linked Security is dependent on the price of the Underlying and therefore bears risks associated with the Underlying beside risks associated with the Security itself.

On the one hand the probability of a **total loss of the invested capital** (e.g. in the case of a substantially unfavorable performance of the Underlying or of an insolvency of the Issuer) may be substantially greater than in a direct investment in the Underlying. This probability depends on how the amounts payable and/or the quantity of Underlyings to be delivered under the Securities are linked to the development of the Underlying.

On the other hand, such risks include **that the Security Holder could fully or substantially loses the capital invested**. To be able to bear potential losses, the capital invested for the purchasing of the Securities should be taken from excess own funds. Potential Investors should note, that even in the case of Garant Securities, Garant Basket Securities and Garant Rainbow Securities (with or without a cap) for which the Final Terms provide for the payment of a Minimum Amount, a negative performance of the Underlying might lead to a **loose of substantial part of the invested capital**.

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 depending on the volatility of the Underlying.

The market value of the Securities is primarily influenced by changes in the price of the Underlying to which the Securities are 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 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 may increase in value. Especially for Underlyings with a high volatility this may lead to amounts payable and/or the value of Underlyings to be delivered under the Securities being significantly less than the value of the Underlying prior to the Observation Date might have suggested.

Risks due to the lack of permanent distributions

Unless otherwise explicitly provided in the Final Terms, no interest payments or other permanent distributions are made to the Securities. *Risks arising from the fact that the valuation of the Underlying occurs only at a specified date or time*

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

Risks due to only partial capital protection by the Minimum Amount

Potential investors should note, that even in the case of Securities for which the Final Terms provide for the payment of a Minimum Amount, the Minimum Amount which will be paid on the Maturity Date may be less than the Nominal Amount and will not be paid in the case of an early, extraordinary termination. The Minimum Amount will be specified in the Final Terms of the Securities. Furthermore, the Minimum Amount may be less than the issue price or respectively the individual purchase price that the Security Holder has paid for the Securities (also taking account of any commissions and

acquisition costs). Therefore, the Security Holder may **lose a substantial part of the invested capital**, despite the partial capital protection by the Minimum Amount.

Risks arising from the negative impact of thresholds or limits

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

Risks in relation to a Participation Factor

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

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

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

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

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

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

Risks in relation to a ratio

The application of a ratio within the calculation of amounts payable, as specified in the Final Terms, may result in the Security being in economic terms similar to a direct investment in the relevant Underlying, but not identical with such a direct investment, in particular because the Security Holder does not participate in the relevant performance on a 1:1 ratio, but by the proportion of the ratio (e.g. 1:10 or 1:100).

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

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

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

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

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

If the Underlying consists of a number of components (e.g. an index) or if the Underlying is a Basket consisting of a number of Basket Components, then additional risks may arise. The redemption and value of the Securities in this event depend on the performance of all the components together. There is therefore a risk that the negative performance of one or some of the components or Basket Components may offset any positive performance of other components or Basket Components, with a negative impact on the redemption or the value of the Securities. Any diversification of risk achieved by the components or Basket Components will be reduced or neutralized completely if they have similar features, e.g. if they are linked to each other in terms of geographical area or economic policy or belong to the same sector (e.g. technology indices; shares in car manufacturers).

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

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

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

Currency risk with respect to the Underlying

The Underlying or Basket Component may be denominated in a different currency than the Specified Currency of the Securities. If the currency risk remains with the Security Holder (i.e. the Securities do not have a "quanto" element in terms of that the price of the Underlying will be converted from one currency into the currency of the Securities, as may be specified in the Final Terms) the investor may incur further losses on interest and/or principal.

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 Market Disruptions

If the Final Terms include provisions dealing with the occurrence of market disruptions (the "**Market Disruption**") and the Calculation Agent determines that a market disruption has occurred or currently exists, any consequential postponement of, or any alternative provisions for, valuation provided in such Security may have an adverse effect on its value and the point of time where a payment takes place.

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

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

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

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

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

Risks arising from the Issuer's extraordinary call right

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

Risks arising from the Issuer's Conversion Right

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

Risks in the case of Physical Delivery

In the case of certain Securities, it may be provided with respect to settlement at the end of the term that the Security Holder will receive a payment ("**Cash Settlement**") or that the investor will receive Cash Settlement or a delivery of Fund Shares ("**Physical Delivery**"). If Cash Settlement alone is specified, the Securities are redeemed by payment of the Redemption Amount.

The manner in which the relevant Securities will be settled is not determined at the time of issue. The determination of the type of settlement depends solely on the performance of the Underlying. The Security Holder therefore faces the risk that the Securities it holds may not be redeemed by a cash payment but instead by a delivery of Fund Shares whose equivalent value may be less than the issue price of the Securities. For this reason, the Security Holder should also familiarise itself with the possibility of the delivery of Fund Shares prior to making an investment decision.

In the event that the Securities are settled by means of physical delivery, no entitlements arise from the Fund Shares until those Fund Shares have been transferred to the Security Holder. In the period of time between the relevant Observation Date and that transfer, the value of those Fund Shares may decline and the Security Holder bears the sole risk of such movements in price. The value of the Fund Shares delivered will generally be less than the current market price at the date of transfer and the Security Holder will suffer a loss as a result. Moreover, transaction costs may be incurred on a sale of the Fund Shares delivered which may lead to a potential loss or increase any such loss further. In addition, the Security Holder should not assume that it will be able to dispose of the Fund Shares delivered at a specific price, and in particular not at a price which is at least equal to or greater than the capital employed for the purchase of the Securities. In certain circumstances the Fund Shares transferred may have a very low value or may no longer have any value at all. The Fund Shares delivered may also be subject to restrictions on their sale or transfer or may be illiquid for other reasons. Finally, commissions and other transaction costs that may be incurred on the disposal of the Fund Shares delivered could – especially in the case of a low order value (for which higher commissions may be incurred than for a larger order value) – have a disproportionately negative effect on costs and therefore significantly reduce the proceeds from the Fund Shares.

If it is difficult or impossible to deliver the Fund Shares for whatever reasons whether from a financial or practical point of view, the terms and conditions may grant the Issuer the right to pay a corresponding amount in cash instead of delivering the relevant security.

Risks relating to fixed rate Securities

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

Risks relating to Floater Securities

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

Special risks related to reference rates

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

During the term of the Securities it cannot be excluded that underlying reference rates will no longer be available, will no longer be available in the relevant form at the time of the issuance of the Securities or, that in connection with the determination or publication of these reference rates it may come to

inaccuracies or even manipulations by the persons responsible for the determination and/or publication, or by any other market participants. All this may have a negative effect on the amounts payable under and the market value of the Securities. Furthermore, regulatory developments (in particular for the regulation of so-called benchmarks) may entail special approval and registration obligations and special rules of conduct for the persons responsible for the determination and/or publication of reference rates, and for the issuers of financial instruments related to these reference rates. This may mean that the reference rates underlying the Securities might not be available for the entire term of the Securities or only with changed conditions. This may also have a negative effect on the amounts payable under and on the market value of the Securities.

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

Potential investors should be aware that interest rates of floating-rate Securities may be limited to a maximum interest rate, as specified in the Final Terms. Therefore, the participation of the Security Holder in a favourable development of the Reference Rate, and thus, his potential return may be limited.

E. Risks related to Underlyings

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

1. General risks of Fund Shares as Underlying or as component(s) of a Underlying

Similar risks to a direct investment in Funds Shares

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

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

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

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

No rights of ownership of the Underlying or its components

The Securities do not convey any interest in Fund Shares, including any voting rights or rights to receive dividends or other rights with respect to the Fund Shares as the Underlying, as a component of the Underlying (e.g. in the case of an index) or as a Basket Component. The Issuer and its affiliates may decide not to hold the Underlyings or Basket Components or not to enter into any derivatives

contracts linked to the Underlying or Basket Component. Neither the Issuer nor its affiliates are restricted from selling, pledging or otherwise transferring rights, titles and interests relating to the Underlyings or Basket Components or to derivatives contracts linked to the Underlyings or Basket Components by virtue solely of it having issued the Securities. References in the Final Terms to any balancing, rebalancing, disposal, acquisition or financing should be understood as referring to a theoretical transaction and should not be construed as imposing any obligation on the Issuer or any of its affiliates or subsidiaries, or the Issuing Agent, Principal Paying Agent, Paying Agent or Calculation Agent to actually, directly or indirectly, physically or synthetically, acquire, dispose of or effect or take delivery of, or effect transactions in, the Fund Shares or other assets.

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

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

No obligation to forward distributions

Investment funds may make distributions from time to time. The Issuer is under no obligation to make payments to the Security Holders in respect of such distributions, unless this is provided for in the Final Terms. Unless indicated otherwise in the Final Terms, the Securities are linked to the 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 or its components (if any) may be subject to the jurisdiction of an emerging market. Investing in Securities with such Underlyings involves further legal, political (e.g. rapid political changes) and economical (e.g. economic downturns) risks.

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

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

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

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

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

Legal and tax risk

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

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

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

Risks resulting from commissions and fees

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

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

Risks resulting from a potential liquidation or merger

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

Risks relating to valuations of the net asset value and estimates

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

Potential lack of currentness of the performance

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

mation published according to the Final Terms reflects the actual value of the Securities on the day after such publication.

Risks resulting from potential conflicts of interest of the persons involved

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

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

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

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

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

Political/regulatory risk

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

Custody risks

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

Valuation risks

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

Country or transfer risks

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

Risks resulting from the possible effects of redemptions of Fund Shares

Substantial redemption requests could require a fund to liquidate its assets more rapidly than otherwise intended pursuant to its investment program to raise liquidity for making payments to holders of Fund Shares in connection with a redemption request. As result, and due to a reduction of the fund's asset portfolio, the fund may be less diversified. In addition, costs (e.g. transaction costs) have a more significant impact on the value of the fund.

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

Specific risks affecting closed investment funds

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

Risks resulting from potential cross liability

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

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

Risks with regard to public holidays

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

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

Market risks

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

Currency risks

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

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

The markets for some assets and financial instruments have only limited liquidity and depth. This may represent a disadvantage for an investment fund investing in those assets, both from the point of view of 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.

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

Risks due to dependence on the fund managers

The financial success of an investment fund is crucially dependent on the abilities, experience and expertise of the respective fund managers. If the fund managers responsible for investing the assets of

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

Risks in the event of limited disclosure of investment strategies

It may happen, especially in the case of AIFs, that an investment fund's investment strategy is disclosed only to a limited extent. In this event, it is not possible to analyze 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 realized income or penalties imposed on the investment fund itself.

Risks due to possible conflicts of interest

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

or incur a conflict of interest because they are acting on behalf of customers who are buying and selling the same security. Finally, the fund managers of an investment fund may acquire ownership of, or some other financial interest in, particular external asset managers of the investment fund under their management and be faced with a conflict of interest as a result.

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

General risks involved with investments in securities

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

Specific risks involved with investments in stocks

Stocks involve certain risks such as an insolvency risk with respect to the relevant issuer, a price risk or a dividend risk. The performance of stocks substantially depends on the development of the capital markets which themselves are influenced by the general state of the world economy and the economic and political framework. Stocks of issuers with low or medium market capitalization 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 capitalization 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, modernization 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 organizations, 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 neutralization 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 de-

positories 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 realize their market value in the event of such redemption. Furthermore, the Target Funds in which the Fund of Funds invests are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were registered or publicly traded. In addition, the Fund of Funds may be invested solely in Target Funds with below average liquidity.

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

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

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

Risks of raising debt capital

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

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

Risks involved with short sales

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

Risks due to the use of trading systems and analytical models

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

Risks involved with lending securities

In order to generate additional income, investment funds may lend securities to broker-dealers, major banks or other 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 disproportional

tionately high losses in the case of an unexpected negative performance by the Benchmark due to the leverage effect.

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

7. Additional risks related to indices as Underlying

Similar risks to a direct investment in index constituents

The performance of the market value of Securities with indices as Underlying depends primarily on the performance of the index. The performance of an index depends on the performance of the constituents of the index (the "**Index Constituents**"). Changes in the performance or the price of the constituents of the index may have an effect on the index and, likewise, changes to the composition of the index or other factors may also have. Accordingly, an investment in a Security with indices as Underlying may bear similar risks to a direct investment in the Index Constituents.

No influence of the Issuer on the index

The method of calculation, determination and publication of the index (the "**Index Concept**") are carried out by the relevant index sponsor itself or together with other organisations, unless the Issuer or any affiliated entity also acts as index sponsor. The Issuer neither has influence on the index nor on the Index Concept. Generally, an index may at any time be altered, terminated or replaced by any successor index. This may result in adjustments to the Securities and have a negative effect on the value of the Securities or the amounts payable under the Securities or even result in a termination and early redemption of the Securities. Potential adjustments may modify the structure and/or risk profile of the Securities. Furthermore, disruptions regarding the maintenance or calculation of the index may occur which may have a negative effect on the value of the Securities and the payments to be made under the Securities.

If neither the Issuer nor any of its affiliates acts as index sponsor, Securities with indices as Underlying 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 of unrecognized or new indices

If the index used is not a recognized financial index, there may be a lower degree of transparency relating to its composition, maintenance and calculation than would be the case for a recognized 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 would be the case for a recognized financial index. Furthermore, particular categories of investors may be subject to specific restrictions relating to the purchase of instruments with an underlying consisting of an index that is not a recognized financial index.

Risks arising from special conflicts of interests in relation to indices as Underlying

If the Issuer or any of its affiliates acts itself as 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 value 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. This conflict of interests may have a negative effect on the performance of the index, and thus on the market value of and/or the amounts payable under the Securities.

Risks in relation to strategy indices as Underlying

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 in relation to price indices as Underlying

If the Underlying is a price index, 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 be traded with a discount after the pay-out of dividends or distributions. Thus, Security Holders generally do not participate from dividends or other distributions paid out or made on components contained in the index.

Risks in relation to net return indices as Underlying

If the Underlying is a net return index, dividends or other distributions paid out or made on the Index Components will be considered only when calculating the price of the index as net payments after deduction of an average tax rate. This tax deduction has the effect that the price of the net return index does not rise as strong as the price of a comparable total return index or performance index, for the calculation of which gross payments will be taken into account.

Risks in relation to short indices as Underlying

If the Underlying is a short index potential investors should be aware that this index develops in a reverse manner to its underlying prices. This means that the price of the short index generally rises when the prices of its underlying constituents drop and that the price of the short index drops when the prices of its underlying constituents rise.

Risks in relation to leverage indices as Underlying

If the Underlying is a leverage index potential investors should be aware that this index consists 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 daily percentage development of the Reference Index under application of 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 Underlying falls or rises stronger than the price of the respective Reference Index. Therefore the Security Holder bears the risk of disproportionate loss of his invested capital.

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.

If the Underlying is a leverage index, Security Holders may be subject to **an increased risk of loss of the invested capital**.

Risks in relation to distributing indices as Underlying

If the Underlying is a distributing index, dividends or other distributions paid out or made on the Index Constituents will normally result to falling prices when calculating the price of the index. If provided in the Terms and Conditions, certain limits or numbers which are relevant for the calculation and determination of payments under the Securities (such as a Strike or a Knock-out Barrier) may be adjusted by the Calculation Agent to such price change; for these purposes, the Calculation Agent is vested with discretion. Notwithstanding these adjustment rights, it cannot be excluded that price movements of the index as a consequence of distributions may have a negative effect on the payments made under the Securities.

Risks in relation to country or sector related indices

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

Currency exchange 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 firstly 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 payable under the Securities. In such cases, Security Holders are subject of several currency 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, on the market value of, and the amounts payable under, the Securities. 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.

Adverse effect of synthetic dividends on index level

If a synthetic dividend applies in accordance with the relevant Index Concept, this may affect the index calculation and, thus, may reduce the level of the index. This may have a negative effect on the performance of the index, on the market value of, and the amounts payable under, the Securities.

Risks with respect to the publication of the index composition which is not constantly updated

Some index sponsors publish the composition of the relevant indices not entirely 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 and may last several months. In this case the calculation of the index may not be fully transparent to the Security Holders.

RESPONSIBILITY STATEMENT

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

CONSENT TO THE USE OF THE BASE PROSPECTUS

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

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

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

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

The Issuer's and, if the Securities are Guaranteed Securities, the Guarantor's consent to the use of the Base Prospectus is given under the condition that each financial intermediary complies with the applicable selling restrictions and the terms and conditions of the offer. Furthermore, in connection with the consent to the use of the Base Prospectus each 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 as 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 relevant Issuer and, if the Securities are Guaranteed Securities, the Guarantor reserve the right to withdraw their consent to the use of this Base Prospectus in relation to certain financial intermediaries.

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

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

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

DESCRIPTION OF THE ISSUERS AND THE GUARANTOR

Description of HVB

The description of HVB included in the Registration Document of UniCredit Bank AG dated 25 April 2014 is hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 381 et seq.

Description of UniCredit International Luxembourg

The description of UniCredit International Luxembourg included in the EMTN Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 2 July 2014 is hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 381 et seq.

Description of UniCredit

The description of UniCredit and the UniCredit Group included in the EMTN Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 2 July 2014 is hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 381 et seq.

GENERAL INFORMATION ON THE SECURITIES

Features of the Securities

General

Under this Base Prospectus,

- Garant Securities,
- Fund Index Securities,
- Fund Reverse Convertible Securities,
- Sprint Securities,
- Garant Basket Securities,
- Garant Rainbow Securities,
- Fund Index Performance Telescope Securities ,
- Garant Performance Telescope Securities,
- Garant Performance Telescope Basket Securities,
- Fund Index Telescope Securities and
- Garant Telescope Securities

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

Interest

Fund Reverse Convertible Securities are interest-bearing Securities. Garant Securities, Fund Index Securities, Fund Index Telescope Securities, Fund Index Performance Telescope Securities, Garant Basket Securities, Garant Performance Telescope Securities, Garant Rainbow Securities, Garant Telescope Securities and Sprint Securities do not bear interest.

Underlying

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

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

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

Limitation of the rights

The Issuer may in certain extraordinary circumstances call the Securities and adjust the terms and conditions of the Securities.

Publications

The Base Prospectus, potential supplements and the respective Final Terms are available on the website as specified in the respective Final Terms or on any successor website as well as on the website of the Luxembourg Stock Exchange (www.bourse.lu).

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

Issue Price

Securities may be issued at an issue price which will be either specified in the Final Terms, or if the issue price has not been specified at the time of creation of the Final Terms the issue price per Security will be specified and published thereafter on a website as indicated in the Final Terms.

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. The Issue Price may contain upfront and distribution fees as well as an expected margin for the Issuer. Generally, the margin may contain costs, which, i.a., cover such things as the Issuer's costs for structuring the Securities, risk hedging of the Issuer and the distribution.

Selling concession or other concessions

A selling concession or other concession may be charged as set out in the Final Terms.

Placing and Distribution

The Securities may be distributed by way of public or private placements and, in each case, through financial intermediaries as agreed between the Issuer and the relevant financial intermediary. The method of distribution of each tranche will be stated in the applicable Final Terms.

Admission to Trading and Listing of the Securities

Application has been made to the Luxembourg Stock Exchange for Fund-linked Securities issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instrument Directive 2004/39/EC of 21 April 2004. Application may also be made to list and trade Securities to be issued under the Programme on the markets or trading systems as set out in the Final Terms. In such a case the Final Terms set out the earliest dates on which the Securities will be admitted to trading and all the regulated markets or equivalent markets, on which, to the knowledge of the Issuer, securities of the same class of securities are already admitted to trading. However, Securities may also be issued under the Programme without being listed on any stock exchange.

Potential investors

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

Terms and conditions of the offer

The following details regarding the terms and conditions of the offer will be indicated in the Final Terms: (i) the country(ies) where the offer(s) to the public takes place; (ii) the conditions for the offer of the Securities; (iii) day of the first public offer; (iv) smallest transferable and/or tradable unit; (v) possibility of an early termination of the public offer.

Method and time limits for delivery of the Securities

Securities issued under this Base Prospectus 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 as specified in the Final Terms.

Offer during a subscription period

The Securities may be offered to the public during a Subscription Period. For the purpose of acquisition, a potential investor has to make a subscription order to be forwarded to the Issuer during the Subscription Period. If specified in the Final Terms, the Securities may be continuously offered thereafter. The Issuer reserves the right to extend or shorten the subscription period or to withdraw the issue be-

fore the Issue Date during the subscription period for any reason. The Issuer has the right to accept or reject the subscription orders of potential investors in whole or in part, irrespective of whether or not the intended volume of the Securities to be placed is reached. The Issuer has the right to make allocations at its own discretion; whether and to what extent the Issuer exercises such right is subject to its own discretion. Potential investors who made purchase offers in the form of subscription orders may presumably be informed by the Issuer from the first Banking Day onwards following the end of the Subscription Period on the number of Securities allocated to them. Trading in the Securities may start prior to the notification of the allocation.

Quanto and Compo elements

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

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

Ratings

HVB

Notes currently issued by HVB have been rated as follows by Fitch Ratings Ltd. ("**Fitch**"), Moody's Investors Service Ltd. ("**Moody's**") and Standard & Poor's Ratings Services ("**S&P**") (Status: August 2014):

| | Long Term Notes | Subordinated Notes | Short Term Notes | Outlook |
|----------------|-----------------|--------------------|------------------|----------|
| Moody's | Baa1 | Ba1 | P-2 | negative |
| S&P | A- | BBB | A-2 | negative |
| Fitch | A+ | A | F1+ | negative |

Fitch's long-term credit ratings are set up along a scale from AAA, AA, A, BBB, BB, B, CCC, CC, C down to D. Fitch uses the intermediate modifiers "+" and "-" for each category between AA and CCC to show the relative standing within the relevant rating categories. Fitch's short-term ratings indicate the potential level of default within a 12-month period at the levels F1+, F1, F2, F3, F4, B, C and D.

Moody's appends long-term obligation ratings at the following levels: Aaa, Aa, A, Baa, Ba, B, Caa, Ca and C. To each generic rating category from Aa to Caa Moody's assigns the numerical modifiers "1", "2" and "3". The modifier "1" indicates that the bank is in the higher end of its letter-rating category, the modifier "2" indicates a mid-range ranking and the modifier "3" indicates that the bank is in the lower end of its letter-rating category. Moody's short-term ratings are opinions of the ability of issuers to honor short-term financial obligations and range from P-1, P-2, P-3 down to NP.

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

UniCredit

UniCredit S.p.A. has been rated:

| Description | Standard & Poor's | Moody's | Fitch ratings |
|---|------------------------------|----------------|----------------------|
| Short Term Counter-party Credit Rating | A-2 | P-2 | F2 |
| Long Term Counter-party Credit Rating | BBB | Baa2 | BBB+ |
| Outlook | negative | negative | negative |

Fitch, Moody's and Standard & Poors are established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time (the CRA Regulation) as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation (for more information please visit the ESMA webpage).

DESCRIPTION OF THE SECURITIES

Option 1: Garant Securities

General

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

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

Interest

The Securities do not bear interest.

Redemption

Garant Securities

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

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

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

The Securities are deemed automatically exercised on the Exercise Date.

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

Garant Cap Securities

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

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

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

The Securities are deemed automatically exercised on the Exercise Date.

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

Definitions

Conversion Event

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

Cancellation Amount

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

Maximum Amount

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

Minimum Amount

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

Performance of the Underlying

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

Floor Level

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

Fund Conversion Event

Fund Conversion Event means any of the following events:

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

FX Conversion Event

FX Conversion Event means any of the following events:

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

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

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

Option 2: Fund Index Securities

General

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

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

Interest

The Securities do not bear interest.

Redemption

Fund Index Securities with a Minimum Amount

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

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

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

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

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

Fund Index Securities with a Minimum Amount and a Cap

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

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

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

Some Definitions

Conversion Event

Conversion Event means any of the following events:

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

Cancellation Amount

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

Maximum Amount

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

Minimum Amount

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

Performance of the Underlying

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

Fund Conversion Event

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

Index Conversion Event

Index Conversion Event means any of the following events:

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

Option 3: Fund Reverse Convertible Securities

General

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

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

Interest payment

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

The Interest Rate is determined in the following manner:

Fixed-rate Fund Reverse Convertible Securities

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

Step-up Fund Reverse Convertibles Securities

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

Floating-rate Fund Reverse Convertible Securities

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

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

Floating-rate Fund Reverse Convertible Securities plus the Positive Spread

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

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

Floating-rate Fund Reverse Convertible Securities minus the Negative Spread

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

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

Redemption

Fund Reverse Convertible Securities with Cash Settlement

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

The Securities are deemed automatically exercised on the Exercise Date.

Fund Reverse Convertible Securities that provide for Physical Delivery in certain circumstances

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

The Securities are deemed automatically exercised on the Exercise Date.

Issuer's extraordinary call right

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

Definitions

Strike

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

Fund Call Event

A Fund Call Event means any of the following events:

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

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

FX Call Event

An FX Call Event means each of the following events:

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

Cancellation Amount

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

Option 4: Sprint Securities

General

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

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

Interest

The Securities do not bear interest.

Redemption

Sprint Securities

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

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

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

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

The Securities are deemed automatically exercised on the Exercise Date.

If a Call Event occurs, the Securities will be redeemed on the Maturity Date at the Cancellation Amount.

Sprint Cap Securities

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

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

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

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

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

The Securities are deemed automatically exercised on the Exercise Date.

If a Call Event occurs, the Securities will be redeemed on the Maturity Date at the Cancellation Amount.

Definitions

Cancellation Amount

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

Strike

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

Maximum Amount

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

FX Call Event

FX Call Event means any of the following events:

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

Call Event

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

Performance of the Underlying

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

Strike Level

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

Fund Call Event

Fund Call Event means any of the following events:

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

Option 5: Garant Basket Securities

General

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

Interest

The Securities do not bear interest.

Redemption

Garant Basket Securities

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

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

The Redemption Amount is not less than the Minimum Amount.

The Securities are deemed automatically exercised on the Exercise Date.

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

Garant Cap Basket Securities

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

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

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

The Securities are deemed automatically exercised on the Exercise Date.

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

Definitions

Cancellation Amount

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

Strike

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

Floor Level

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

Fund Conversion Event

Fund Conversion Event means any of the following events:

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

Maximum Amount

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

Performance of the Underlying

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

The Performance of the respective Basket Component_i is equal to K_i (final) divided by K_i (initial).

Minimum Amount

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

Conversion Event

Conversion Event means a Fund Conversion Event.

Option 6: Garant Rainbow Securities

General

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

Interest

The Securities do not bear interest.

Redemption

Garant Rainbow Securities

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

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

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

The Securities are deemed automatically exercised on the Exercise Date.

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

Garant Cap Rainbow Securities

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

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

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

The Securities are deemed automatically exercised on the Exercise Date.

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

Definitions

Cancellation Amount

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

Strike

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

Floor Level

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

Fund Conversion Event

Fund Conversion Event means each of the following events:

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

Maximum Amount

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

Performance of the Underlying

The Performance of the Underlying means the average Performance of the respective Basket Components_{i best}.

The Performance of the respective Basket Component_{i best} is equal to $K_{i best}$ (final) divided by $K_{i best}$ (initial).

The Performance of Basket Component_{i best} (i=1) with the best Performance is multiplied by the highest Weighting_{i best} (i=1), the Performance of Basket Component_{i best} (i=2) with the second best Performance is multiplied by the second highest Weighting_{i best} (i=2), etc.

Minimum Amount

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

Conversion Event

Conversion Event means a Fund Conversion Event.

Option 7: Fund Index Performance Telescope Securities

General

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

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

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

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

Interest

The Securities do not bear interest.

Additional Amount

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

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

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

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

The Strike is specified in the respective Final Terms.

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

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

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

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

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

Redemption

Fund Index Performance Telescope Securities with a Minimum Amount

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

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

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

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

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

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

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

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

is equal to

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

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

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

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

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

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

Conversion Event

Conversion Event means any of the following events:

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

Cancellation Amount

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

Fund Conversion Event

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

Index Conversion Event

Index Conversion Event means any of the following events:

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

Option 8: Garant Performance Telescope Securities

General

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

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

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

Interest

The Securities do not bear interest.

Additional Amount

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

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

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

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

The Strike is specified in the respective Final Terms.

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

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

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

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

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

Redemption

Garant Performance Telescope Securities with a Minimum Amount

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

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

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

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

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

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

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

Garant Performance Telescope Securities with a Minimum Amount and a Cap

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

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

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

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

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

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

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

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

Conversion Event

Conversion Event means Fund Conversion Event.

Cancellation Amount

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

Fund Conversion Event

Fund Conversion Event means any of the following events:

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

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

Option 9: Garant Performance Telescope Basket Securities

General

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

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

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

Interest

The Securities do not bear interest.

Additional Amount

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

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

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

The Performance of the Underlying (k) is the average Performance of the relevant Basket Components_i on the relevant Observation Date (k), which are taken into account according to their Weighting_i.

The Performance of the relevant Basket Component_i on the relevant Observation Date (k) is equal to $K_i(k)$ divided by $K_i(\text{initial})$.

$K_i(k)$ means the Reference Price of the Basket Component_i on the respective Observation Date (k).

The Strike is specified in the respective Final Terms.

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

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

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

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

Redemption

Garant Performance Telescope Basket Securities

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

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

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

The Performance of the Underlying means the average Performance of the relevant Basket Components_i on the Final Observation Date, which are taken into account according to their Weighting_i.

The Performance of the relevant Basket Component_i is equal to $K_i(\text{final})$ divided by $K_i(\text{initial})$.

$K_i(\text{final})$ means the Reference Price of the Basket Component_i on the Final Observation Date.

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

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

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

Garant Performance Telescope Cap Basket Securities

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

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

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

Performance of the Underlying means the average Performance of the relevant Basket Components_i on the Final Observation Date, which are taken into account according to their Weighting_i.

The Performance of the relevant Basket Component_i is equal to K_i (final) divided by K_i (initial).

K_i (final) means the Reference Price of the Basket Component_i on the Final Observation Date.

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

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

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

Conversion Event

Each Fund Conversion Event is a Conversion Event.

Cancellation Amount

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

Fund Conversion Event

A Fund Conversion Event means any of the following events:

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

Option 10: Fund Index Telescope Securities

General

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

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

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

Interest

The Securities do not bear interest.

Additional Amount

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

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

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

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

The Strike is specified in the respective Final Terms.

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

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

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

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

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

Redemption

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

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

Conversion Event means any of the following events:

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

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

The Minimum Amount is specified in the respective Final Terms.

Option 11: Garant Telescope Securities

General

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

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

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

Interest

The Securities do not bear interest.

Additional Amount

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

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

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

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

The Strike is specified in the respective Final Terms.

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

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

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

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

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

Redemption

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

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

Fund Conversion Event means any of the following events:

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

(d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

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

The Minimum Amount is specified in the respective Final Terms.

FORM OF THE SECURITIES

Each Tranche of Securities will be in bearer form and will initially be issued in the form of a temporary global note (a "**Temporary Global Note**") or, if so specified in the applicable Final Terms, a permanent global note (a "**Permanent Global Note**") which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or Clearstream Banking AG, Frankfurt am Main ("**Clearstream, Frankfurt**"), as the case may be.

Whilst any Security is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Securities due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or Clearstream, Frankfurt and Euroclear and/or Clearstream, Luxembourg and/or Clearstream, Frankfurt, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein for interests in a Permanent Global Note of the same Series against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg and/or Clearstream, Frankfurt against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

The following legend will appear on all Securities (other than Temporary Global Notes) where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Securities and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Securities.

Securities which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or Clearstream, Frankfurt, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Conditions of the Securities*"), the Principal Paying Agent shall arrange that, where a further Tranche of Securities is issued which is intended to form a single Series with an existing Tranche of Securities at a point after the Issue Date of the further Tranche, the Securities of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Securities of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Securities of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or Clearstream, Frankfurt shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Security may be accelerated by the holder thereof in certain circumstances described in Part A - General Conditions of the Securities - Condition [7]. In such circumstances, where any Security is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Securities and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or Clearstream, Frankfurt, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg and/or Clearstream, Frankfurt on and subject to the terms set out in such Global Note.

CONDITIONS OF THE SECURITIES

General Information

Part A – General Conditions of the Securities (the "**General Conditions**") must be read together with Part B – Product and Underlying Data (the "**Product and Underlying Data**") as well as Part C – Special Conditions of the Securities (the "**Special Conditions**") (together, the "**Conditions**"). A completed version of the Conditions describes the Terms and Conditions of the respective Tranche of Securities which are part of the relevant Global Note.

The Special Conditions are divided into the Special Conditions which apply for particular product types and Special Conditions which apply for all product types.

For each Tranche of Securities a separate document will be published, the so-called final terms (the "**Final Terms**"). The Final Terms will contain:

- (a) information on the relevant options contained in the General Conditions,
- (b) a consolidated version of the Product and Underlying Data,
- (c) a consolidated version of the Special Conditions,

reflecting the Terms and Conditions of the Securities.

A consolidated version of the General Conditions may be delivered together with the relevant Final Terms. Such consolidated General Conditions will not be part of the relevant Final Terms, neither as an annex nor as an integral part of the Final Terms and such consolidated General Conditions will not be filed with or sent to any competent authority.

Structure of the Conditions

Part A – General Conditions of the Securities

- § 1 Form, Clearing System, Global Note, Custody
- § 2 Principal Paying Agent, Paying Agent, Calculation Agent
- § 3 Taxes
- § 4 Status
- § 5 Substitution of the Issuer
- § 6 Notices
- § 7 Security Holder's Extraordinary Termination Right
- § 8 Issuance of additional Securities, Repurchase
- § 9 Presentation Period
- § 10 Partial Invalidity, Corrections
- § 11 Applicable Law, Place of Performance, Place of Jurisdiction

Part B – Product and Underlying Data

Part C – Special Conditions of the Securities

[Option 1: In the case of Garant Securities, the following applies:]

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

[In the case of Garant Compo Securities, the following applies:]

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 2: In the case of Fund Index Securities, the following applies:]

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification]

[Option 3: In the case of Fund Reverse Convertible Securities, the following applies:]

- § 1 Definitions

- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Extraordinary Call Right
- § 6 Payments[, Delivery]
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Specification

[In the case of Quanto Securities with Physical Delivery, the following applies:

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 4: In the case of Sprint Securities and Sprint Cap Securities, the following applies:

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Extraordinary Call Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

[In the case of Compo Securities, the following applies:

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 5: In the case of Garant Basket Securities and Garant Cap Basket Securities, the following applies:

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

[In the case of Compo Securities, the following applies:

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 6: In the case of Garant Rainbow Securities and Garant Cap Rainbow Securities, the following applies:

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount

- § 5 Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

[In the case of Compo Securities, the following applies:

- § 9 New FX Fixing Sponsor, Replacement Exchange Rate]]

[Option 7: In the case of Fund Index Performance Telescope Securities, the following applies:

- § 1 Definitions
- § 2 Interest, Additional Amount
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification]

[Option 8: In the case of Garant Performance Telescope Securities, the following applies:

- § 1 Definitions
- § 2 Interest, Additional Amount
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification]

[Option 9: In the case of Garant Performance Telescope Basket Securities, the following applies:

- § 1 Definitions
- § 2 Interest
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification]

[Option 10: In the case of Fund Index Telescope Securities, the following applies:

- § 1 Definitions
- § 2 Interest, Additional Amount

- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification]

[Option 11: In the case of Garant Telescope Securities, the following applies:]

- § 1 Definitions
- § 2 Interest, Additional Amount
- § 3 Redemption
- § 4 Redemption Amount
- § 5 Issuer's Conversion Right
- § 6 Payments
- § 7 Market Disruption Events
- § 8 Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification]

Part A – General Conditions of the Securities

PART A - GENERAL CONDITIONS OF THE SECURITIES

(the "General Conditions")

§ 1

Form, Clearing System, Global Note, [In the case of Securities governed by English law, insert: Title,] Custody

- (1) *Form:* This tranche (the "**Tranche**") of securities (the "**Securities**") of [UniCredit Bank AG (the "**Issuer**")][UniCredit International Bank (Luxembourg) S.A. (the "**Issuer**")]] will be issued as [notes] [certificates] in bearer form pursuant to these Terms and Conditions with a nominal amount in the Specified Currency and in a denomination corresponding to the nominal amount.

[In the case of Securities with a Permanent Global Note from the Issue Date, the following applies:

- (2) *Permanent Global Note:* The Securities are represented by a permanent global note (the "**Global Note**") without interest coupons, which bears the manual or facsimile signatures of two authorised signatories of the Issuer [In the case of an Issuing Agent, the following applies: as well as the manual signature of a control officer of the Issuing Agent]. The Security Holders are not entitled to receive definitive Securities. The Securities [In the case of Securities governed by German law, insert: as co-ownership interests in the Global Note] may be transferred pursuant to the relevant regulations of the Clearing System.

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:¹

- (2) *Temporary Global Note, Exchange:* The Securities are initially represented by a temporary global note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Note will be exchangeable for a permanent global note without interest coupons (the "**Permanent Global Note**", and, together with the Temporary Global Note, the "**Global Notes**") on or after the 40th day after the Issue Date (the "**Exchange Date**") only upon delivery of certifications [In the case of Securities governed by English law, insert: to the Principal Paying Agent], to the effect that the beneficial owner or owners of the Securities represented by the Temporary Global Note is not a U.S. person (the "**Non-U.S. Beneficial Ownership Certificates**"). The Global Notes bear the manual or facsimile signatures of two authorised representatives of the Issuer [In the case of an Issuing Agent, the following applies: as well as the manual signature of a control officer of the Issuing Agent]. [If CBL and Euroclear Bank are specified as Clearing System, the following applies: The details of such exchange shall be entered into the records of the ICSDs.] The Security Holders are not entitled to receive definitive Securities. The Securities [In the case of Securities governed by German law, insert: as co-ownership interests in the Global Notes] may be transferred pursuant to the relevant regulations of the Clearing System. [In the case of interest-bearing Securities, the following applies: The right to receive interest is represented by the Permanent Global Note.]

¹ The text found in § 1(2) is known as the "TEFRA D legend". This footnote provides a very brief synopsis of the so-called Excise Tax Exemption (formerly known as TEFRA) rules under the tax code of the United States of America ("U.S."). Generally, debt instruments in non-registered form (bearer securities) which have a maturity of longer than 365 days may be subject to U.S. tax penalties if the issuance of such instruments does not comply with either the TEFRA C or TEFRA D rules. TEFRA C is highly restrictive and may be used only if, among other things, the instruments will not be offered or issued to persons in the U.S. and its possessions, as defined under the U.S. Internal Revenue Code, and the issuer does not "significantly engage in interstate commerce with respect to the issuance." In this case a TEFRA legend is not required. The TEFRA D rules, which are more mechanical than the TEFRA C rules, impose, during a "restricted period", certain restrictions on (i) the offer and sale of the instruments to "U.S. persons" or to persons within the U.S. and its possessions and (ii) the delivery of the instruments in the U.S. The TEFRA D rules also generally require that the owner of an instrument certify as to non-U.S. beneficial ownership and that the instrument contain a "TEFRA D legend" with specific language on its face. Compliance with TEFRA D provides for a safe harbour if instruments are inadvertently issued to U.S. persons. To the extent that Securities have debt characteristics, such as "principal protection", TEFRA C and TEFRA D rules may apply. IF THERE IS ANY DOUBT WHETHER A SECURITY MAY BE CONSIDERED DEBT, U.S. LEGAL AND TAX COUNSEL MUST BE CONSULTED.

"U.S. persons" means such persons as defined in *Regulation S* of the *United States Securities Act of 1933* and particularly includes residents of the United States as well as American stock corporations and private companies.]

[In the case of Securities where CBF is specified in the Final Terms, the following applies:

- (3) *Custody:* The Global Note will be kept in custody by CBF.]

[In the case of Securities where CBL and Euroclear Bank is specified in the Final Terms, the following applies:

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

[In the case of Securities where Euroclear France is specified in the Final Terms, the following applies:

- (3) *Custody:* The Global Note will be kept in custody by or on behalf of the Clearing System.]

[In the case of Securities where "Other" is specified in the Final Terms, the following applies:

- (3) *Custody:* The Global Note will be kept in custody by or on behalf of the Clearing System.]

[In the case of Securities governed by English law, insert:

- (4) *Title:* Title to the Securities will pass by delivery. The Issuer and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Security as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but without prejudice to the provisions set out in the next succeeding sentence. Each person (other than a Clearing System) who is for the time being shown in the records of the relevant Clearing System as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by the relevant Clearing System as to the nominal amount of the Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Securities, for which purposes the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant Global Notes and the expressions "**Security Holder**" and **holder of Securities** and related expressions shall be construed accordingly.
- (5) *Method of Payment and Delivery:* Payments and, if applicable, deliveries will be made by a Paying Agent on behalf of the Issuer by credit or transfer to (in the case of any payment) an account in the principal financial centre of the Specified Currency, as determined by the Issuer or, in the case of a payment in euro, to a euro account (or any other account to which euro may be credited or transferred), or (in the case of any delivery) to an account with the Clearing System, the account in each case to be specified by the payee or recipient. Payments and deliveries to a Clearing System will be made in accordance with the rules of such Clearing System. All payments and/or deliveries will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and/or delivery, as the case may be, and subject to the provisions of § 3 of the General Conditions. If a payment of any amount to be paid to a Security Holder, according to the rules of the relevant Clearing System, cannot be made in the Specified Currency, such payment shall be made in the currency principally used by the relevant Clearing System for payments to security holders holding accounts with such Clearing System, following a conversion of the relevant amount from the Specified Currency, using the rate of exchange determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate.
- (6) *Presentation for Payments:* Payments and, if applicable, deliveries will, subject as provided below, be made in the manner specified in the Global Note against presentation or surrender, as the case may be, of the Global Note at the specified office any Paying Agent. A record of each payment and, if applicable, delivery made against presentation or surrender of the Global

Note, distinguishing between any payment and delivery, will be made on the Global Note by the relevant Paying Agent and such record shall be prima facie evidence that the payment or delivery in question has been made.

- (7) *General Provisions applicable to Payments:* The holder of a Global Note shall be the only person entitled to receive payments and/or delivery of any amounts in respect of the Securities and the Issuer will be discharged by payment or delivery to, or to the order of, the bearer of the Global Note in respect of the amount so paid or delivered. Each of the persons shown in the records of a Clearing System as the beneficial holder of a particular nominal amount of the Securities must look solely to the relevant Clearing System for his share of each such payment and/or delivery so made by the Issuer to, or to the order of, the holder of the Global Note. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Paying Agent shall have any responsibility for any errors or omissions in the calculation of any amount payable or deliverable hereunder or in any other determination pursuant to the provisions hereof.
- (8) *Payment Day:* If any date for payment of any amount in respect of any Securities is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay. "**Payment Day**" means any day which is (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation and [London,] [Frankfurt,] [Luxembourg] [and [•]]; and (ii) either (1) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of such currency (if other than the place of presentation) or (2) in relation to any sum payable in euro, a day that the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.]

§ 2

Principal Paying Agent, Paying Agent, Calculation Agent

- (1) *Paying Agents:* The "**Principal Paying Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom] [*Insert name and address of other paying agent*]. [The French Paying Agent for Euroclear France S.A. is CACEIS Bank S.A., 1-3 rue place Valhubert, 75206 Paris Cedex 13, France (the "**French Paying Agent**").] The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 6 of the General Conditions.
- (2) *Calculation Agent:* The "**Calculation Agent**" is [UniCredit Bank AG, Arabellastraße 12, 81925 Munich] [*Insert name and address of other calculation agent*].
- (3) *Transfer of functions:* Should any event occur which results in the Principal Paying Agent[, French Paying Agent] or Calculation Agent being unable to continue in its function as Principal Paying Agent[, French Paying Agent] or Calculation Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent[, French Paying Agent] or another person or institution with the relevant expertise as Calculation Agent. Any such transfer of the functions of the Principal Paying Agent or Calculation Agent shall be notified by the Issuer without undue delay pursuant to § 6 of the General Conditions.
- (4) *Agents of the Issuer:* In connection with the Securities, the Principal Paying Agent[, the French Paying Agent], the Paying Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Security Holders. [*In the case of Securities governed by German law, insert:* The Principal Paying Agent[, the French Paying Agent] and the Paying Agents shall be exempt from the re-

restrictions of § 181 German Civil Code (*Bürgerliches Gesetzbuch*, "BGB").~~][In the case of Securities governed by English law, insert:~~ Any calculations or determinations in respect of the Securities made by any of the Principal Paying Agent, [the French Paying Agent,] the Paying Agents and the Calculation Agent shall be made in good faith and in a commercially reasonable manner and, save the case of manifest error, shall be final, conclusive and binding on the Security Holders.]

§ 3

Taxes

No gross up: Payments in respect of the Securities shall only be made after deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (the "Taxes") under any applicable system of law or in any country which claims fiscal jurisdiction by or for the account of any political subdivision thereof or government agency therein authorised to levy Taxes, to the extent that such deduction or withholding is required by law. The Issuer shall report on the deducted or withheld Taxes to the competent government agencies.

§ 4

Status

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

§ 5

Substitution of the Issuer

(1) The Issuer may without the consent of the Security Holders, if no payment of principal or interest on any of the Securities is in default, at any time substitute the Issuer for any Affiliate of the Issuer as principal debtor in respect of all obligations of the Issuer under the Securities (the "New Issuer"), provided that

(a) the New Issuer assumes all obligations of the Issuer in respect of the Securities,

~~][In the case of Securities governed by English law, insert:~~

(b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent valid, legally binding and enforceable obligations of the New Issuer have been taken, fulfilled and done and are in full force and effect,]

~~[(b)][(c)]~~ the Issuer and the New Issuer have obtained all necessary authorisations and may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,

~~[(c)][(d)]~~ the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution [.] [and]

~~[(d)][(e)]~~ the Issuer [~~In the case of Securities issued from UniCredit International Luxembourg, insert:~~ and the Guarantor] guarantees proper payment of the amounts due under these Terms and Conditions[.] [and]

~~][In the case of Securities governed by English law, insert:~~

- (f) the Issuer shall have given at least [14] days' prior notice of the date of such substitution to the Security Holders in accordance with § 6 of the General Conditions.]

For purposes of this § 5 (1) "**Affiliate**" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

- (2) *Notice:* Any such substitution shall be notified in accordance with § 6 of the General Conditions.
- (3) *References:* In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

§ 6

Notices

To the extent these Terms and Conditions provide for a notice pursuant to this § 6, these will be published on the Website for Notices (or another website communicated by the Issuer with at least six weeks advance notice in accordance with these provisions) and become effective vis-à-vis the Security Holders through such publication unless the notice provides for a later effective date. If and to the extent that binding provisions of effective law or stock exchange provisions provide for other forms of publication, such publications must be made in addition and as provided for.

Other publications with regard to the Securities are published on the Website of the Issuer (or any successor website).

[In the case of Securities admitted to trading on the regulated market of, or listed on the Official List of the Luxembourg Stock Exchange, the following applies:

All notices concerning the Securities shall also be published in electronic form on the website of the Luxembourg Stock Exchange (www.Bourse.lu).]

§ 7

Security Holder's Extraordinary Termination Right

- (1) Each Security Holder shall be entitled to declare its Security due and demand immediate redemption thereof at the Termination Amount, in the event that
- (a) the Issuer fails to duly perform any obligation arising under the Securities and such failure continues for more than 60 days after the Issuer has received notice thereof from a Security Holder, or
 - (b) the Issuer generally ceases to make payments, or
 - (c) an application is made to open insolvency proceedings or a comparable proceeding with regard to the assets of the Issuer or the Issuer offers an out-of-court settlement to avert insolvency proceedings or other similar proceedings, or
 - (d) the Issuer goes into liquidation, unless in connection with a merger, or other form of reorganization, such other or such reorganized company assumes all obligations of the Issuer in respect of the Securities.

The right to declare the Securities due shall terminate if the relevant event of default has been cured before the right is exercised.

- (2) Any notice declaring the Securities due pursuant to paragraph (1) shall be made by means of written notice by the Security Holder to be delivered to the Principal Paying Agent by hand or registered mail together with sufficiently conclusive proof that such Security Holder at the

time of such notice is a holder of the relevant Securities. The Principal Paying Agent shall forward the notice without undue delay to the Issuer without further examination.

- (3) The "**Termination Amount**" per Security shall be the reasonable market value of the Securities as determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] within ten Banking Days after receipt of the notice.

§ 8

Issuance of additional Securities, Repurchase

- (1) *Issuance of additional Securities:* The Issuer reserves the right from time to time without the consent of the Security Holders to issue additional Securities with identical terms and conditions (except for the issue date and the issue price), so that the same shall be consolidated and form a single series (the "**Series**") with this Tranche. The term "*Securities*" shall, in the event of such increase, also comprise all additionally issued Securities.
- (2) *Repurchase:* The Issuer shall be entitled at any time to purchase Securities in the market or otherwise and at any price. Securities repurchased by the Issuer may, at the Issuer's discretion, be held, resold or forwarded to the Principal Paying Agent for cancellation.

[In the case of Securities governed by English law, the following applies:

- (3) *Cancellation:* All Securities which are redeemed will forthwith be cancelled. All Securities so cancelled shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.]

§ 9

Presentation Period

[In the case of Securities governed by German law, the following applies:

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

[In the case of Securities governed by English law, the following applies:

The Securities will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined below) therefor.

The "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Security Holders in accordance with § 6 of the General Conditions.]

§ 10

[In the case of Securities governed by German law, the following applies:

Partial Invalidity, Corrections

- (1) *Invalidity:* Should any provision of these Terms and Conditions be or become invalid or unenforceable in whole or in part, the remaining provisions are not affected thereby. Any gap arising as a result of invalidity or unenforceability of these Terms and Conditions is to be filled with a provision that corresponds to the meaning and intent of these Terms and Conditions and is in the interest of the parties.
- (2) *Typing and calculation errors:* Obvious typing and calculation errors or similar obvious errors in these Terms and Conditions entitle the Issuer to rescission vis-à-vis the Security Holders.

The rescission must be declared without undue delay upon obtaining knowledge of such cause for rescission in accordance with § 6 of the General Conditions. Following such rescission by the Issuer, the Security Holder can instruct his Custodian Bank to submit a duly completed redemption declaration to the Principal Paying Agent on a form available there and by giving all information and declarations required by the form (the "**Redemption Declaration**") and demand the refunding of the Acquisition Price against transfer of the Securities to the account of the Principal Paying Agent with the Clearing System. The Issuer will until at the latest 30 calendar days after receipt of the Redemption Declaration or the Securities by the Principal Paying Agent (whatever is the later date) make the Acquisition Price available to the Principal Paying Agent, which will transfer it to the account listed in the Redemption Declaration. With the payment of the Acquisition Price all rights deriving from the submitted Securities cease to exist.

- (3) *Offer to continue:* The Issuer may combine the declaration of rescission pursuant to paragraph (2) above with an offer to continue the Securities under amended terms and conditions. The Security Holders will be informed of such an offer as well as the amended provisions together with the declaration of rescission in accordance with § 6 of the General Conditions. Such an offer is deemed to be accepted by the Security Holder (with the effect that the consequences of the rescission do not become effective) if the Security Holder does not within four weeks after the offer becoming effective pursuant to § 6 of the General Conditions demand the repayment of the Acquisition Price by submitting a duly completed Redemption Declaration via his Custodian Bank to the Principal Paying Agent and the transfer of the Securities to the account of Principal Paying Agent with the Clearing System in accordance with paragraph (2) above. The Issuer will refer to this effect in the notice.
- (4) *Acquisition Price:* As used in paragraphs (2) and (3) above, the "**Acquisition Price**" is the actual acquisition price paid by each Security Holder (as stated and confirmed in the Redemption Declaration) or the weighted arithmetic mean of the trading prices of the Securities, as determined by the Issuer in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], on the Banking Day preceding the declaration of rescission pursuant to paragraph (2) above, respectively, depending on which of these amounts is the higher one. If a market disruption pursuant to § 7 of the Special Conditions exists on the Banking Day preceding the declaration of rescission pursuant to paragraph (2) above, the last Banking Day preceding the rescission pursuant to paragraph (2) above on which no market disruption existed shall be decisive for the determination of the Acquisition Price in accordance with the preceding sentence.
- (5) *Incomplete or inconsistent provisions:* The Issuer is entitled to correct or amend incomplete or inconsistent provisions in these Terms and Conditions in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*]. Only corrections and amendments that are reasonable for the Security Holders taking into account the interests of the Issuer and that in particular do not materially impair the legal and financial situation of the Security Holders will be permitted. The Security Holders will be informed of such corrections and supplementations pursuant to § 6 of the General Conditions.
- (6) *Adherence to corrected Terms and Conditions:* If the Security Holder was aware of typing or calculation errors or similar errors in these Terms and Conditions when purchasing the Securities, the Issuer is entitled to adhere to the Terms and Conditions amended accordingly irrespective of paragraphs (2) to (5) above.]

[In the case of Securities governed by English law, the following applies:

Modifications

The Issuer may, without the consent of the Security Holders:

- (a) modify any of the Terms and Conditions in any manner which is not prejudicial to the interests of the Security Holders; or

- (b) make any modifications to the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Security Holders and any such modification shall be notified to the Security Holders in accordance with § 6 as soon as practicable thereafter but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.]

§ 11

Applicable Law, [In the case of Securities governed by German law, insert:

Place of Performance,] Place of Jurisdiction

[In the case of Securities governed by German law, the following applies:

- (1) *Applicable law:* The Securities, as to form and content, and all rights and obligations of the Issuer and the Security Holder shall be governed by the laws of the Federal Republic of Germany.
- (2) *Place of performance:* Place of performance is Munich.
- (3) *Place of jurisdiction:* To the extent permitted by law, all legal disputes arising from or in connection with the matters governed by these Terms and Conditions shall be brought before the court in Munich.]

[In the case of Securities governed by English law, the following applies:

- (1) *Applicable law:* The Securities and any non-contractual obligations arising out of or in connection with any of them, are governed by, and construed in accordance with, English law.
- (2) *Submission to jurisdiction:*
 - (a) Subject to § 11 (2)(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Securities, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Securities (a "**Dispute**") and accordingly each of the Issuer and any Security Holder in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
 - (b) For the purposes of this § 11, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
 - (c) To the extent allowed by law, the Security Holders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.
- (3) *Appointment of Process Agent:* The Issuer irrevocably appoints UniCredit Bank AG, London Branch at Moor House 120 London Wall, London EC2Y5ET as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of [•] being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.
- (4) *Contracts (Rights of Third Parties) Act 1999:* No person shall have any right to enforce any term or condition of any Securities under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.]

Part B – Product and Underlying Data

PART B – PRODUCT AND UNDERLYING DATA

(the "Product and Underlying Data")

*[Insert the following product data in alphabetical or different order and or as a table*¹⁶

§ 1

Product Data

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

[Aggregate Nominal Amount of the Series: *[Insert]*]

[Aggregate Nominal Amount of the Tranche: *[Insert]*]

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

[Basket Component_i: *[Insert]*]

[Cap Level: *[Insert]*]

[Common Code: *[Insert]*]

[D (k): *[Insert]*]

[Designated Maturity: *[Insert]*]

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

[Final Strike Level: *[Insert]*]

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

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

First Trade Date: *[Insert]*

[FX Fixing Sponsor: *[Insert]*]

[Floor Level: *[Insert]*]

[FX Screen Page: *[Insert]*]

[Hedging Party: *[Insert]*]

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

[Interest Commencement Date: *[Insert]*]

[Interest End Date: *[Insert]*]

[Interest Payment Date[s]: *[Insert]*]

[Interest Rate: *[Insert]*]

ISIN: *[Insert]*

Issue Date: *[Insert]*

[Issue Price: *[Insert]*]

Issuing Agent: *[Insert]*

[K_i (initial): *[Insert]*]

[Last Day of the Best in-Period: *[Insert]*]

[Last Day of the Worst in-Period: *[Insert]*]

Maturity Date: *[Insert]*

¹⁶ Several consecutively numbered tables may be provided in the Final Terms depending on the product type.

[Maximum Additional Amount (k): *[Insert]*

[Maximum Amount: *[Insert]*

[Maximum Interest Rate: *[Insert]*

[Minimum Amount: *[Insert]*

[Minimum Interest Rate: *[Insert]*

N: *[Insert number of Basket Components]*

[Negative Spread: *[Insert]*

Nominal Amount: *[Insert]*¹⁷

[Observation Date (k): *[Insert]*

[Participation Factor: *[Insert]*

[Participation Factor (final): *[Insert]*

[Positive Spread: *[Insert]*

Principal Paying Agent: *[Insert]*

[R (initial): *[Insert]*

[Ratio: *[Insert]*

Reference Currency: *[Insert]*

[Reference Price_i: *[Insert]*

[Reference Rate Financial Centre: *[Insert]*

Reuters: *[Insert]*

[Screen: *[Insert]*

Series Number: *[Insert]*

Specified Currency: *[Insert]*

[Strike: *[Insert]*

[Strike Level: *[Insert]*

Tranche Number: *[Insert]*

Underlying: *[Insert]*

Website[s] of the Issuer: *[Insert]*

Website[s] for Notices: *[Insert]*[\[www.bourse.lu\]](http://www.bourse.lu)

[Weighting_{i|best} (W_{i|best}): *[Insert]*

WKN: *[Insert]*

¹⁷ *In the case of Securities issued by UniCredit Bank, the Nominal Amount shall be not less than 1,000 Euro.*

§ 2

Underlying Data

[Table 2.1:

| Underlying | Underlying Currency | WKN | ISIN | Reuters | [Bloomberg] | [Index Sponsor] |
|-----------------------------|----------------------------|---------------------------------|---------------------------------|-------------------------------------|--|---------------------------------|
| [Insert name of Underlying] | [Insert] | [Insert] [Not applica-ble]** | [Insert] [Not applica-ble]** | [Insert RIC] [Not applica-ble]** | [Insert Bloomberg ticker] [Not applica-ble]** | [Insert] [Not applica-ble]** |

** Instead of selecting "Not applicable" the whole column may be deleted from the respective table.]

[Table 2.2:

| Underlying | [Administra- tor] | [Investment Advisor] | [Custodian Bank] | [Manage- ment Com- pany] | [Portfolio Manager] | [Auditor] | [Index Cal- culation Agent] | [Website] |
|-----------------------------|------------------------------|---------------------------------|---------------------------------|---|---------------------------------|---------------------------------|--|---------------------------------|
| [Insert name of Underlying] | [Insert] | [Insert] [Not applica-ble]** | [Insert] [Not applica-ble]** | [Insert] [Not applica-ble]** | [Insert] [Not applica-ble]** | [Insert] [Not applica-ble]** | [Insert] [Not applica-ble]** | [Insert] [Not applica-ble]** |

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).

** Instead of selecting "Not applicable" the whole column may be deleted from the respective table.]

[Table 2.1:

| Basket Component_i | Currency of the Basket Component_i | [WKN_i] | [ISIN_i] | [Reuters_i] | [Bloomberg_i] |
|---|---|---------------------------------|---------------------------------|-------------------------------------|--------------------------------|
| [Insert name of Basket Component _i] | [Insert] | [Insert] [Not applica-ble]** | [Insert] [Not applica-ble]** | [Insert RIC] [Not applica-ble]** | [Insert Bloomberg ticker] |

| | | | | | |
|--|-----------------|---|---|---|---|
| | | | | | <i>[Not applica-ble]**</i> |
| <i>[Insert name of Basket Component_N]</i> | <i>[Insert]</i> | <i>[Insert]</i> <i>[Not applica-ble]**</i> | <i>[Insert]</i> <i>[Not applica-ble]**</i> | <i>[Insert]</i> <i>[Not applica-ble]**</i> | <i>[Insert]</i> <i>[Not applica-ble]**</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).

** Instead of selecting "Not applicable" the whole column may be deleted from the respective table.]

[Table 2.2:

| Basket Component_i | [Administrator_i] | [Investment Advisor_i] | [Custodian Bank_i] | [Management Company_i] | [Portfolio Manager_i] | [Auditor_i] | [Website_i] |
|--|---|---|---|---|---|---|---|
| <i>[Insert name of Basket Component_i]</i> | <i>[Insert]</i> <i>[Not applica-ble]**</i> |
| <i>[Insert name of Basket Component_N]</i> | <i>[Insert]</i> <i>[Not applica-ble]**</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).

** Instead of selecting "Not applicable" the whole column may be deleted from the respective table.]

Part C – Special Conditions of the Securities

PART C – SPECIAL CONDITIONS OF THE SECURITIES

(the "Special Conditions")

Option 1: Garant Securities

[Option 1: In the case of Garant Securities, the following applies:]

§ 1

Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event, the following applies:]

"Additional Adjustment Events" means:

the historic volatility of the Underlying exceeds a volatility level of [Insert]%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\left(\sum_{p=1}^P \ln \left[\frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left(\sum_{q=1}^P \ln \left[\frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right)^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the Underlying for the most recent [Insert number of days] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates in each case. The respective volatility determined using this method may not exceed a volatility level of [Insert]%.]

"Adjustment Event" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;
- (b) requests for the issue, redemption or transfer of Fund Shares are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);

- (d) the Fund or the Management Company or a provider of fund services appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not

immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;

- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund Share as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the basis of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency,

[In the case of Securities in respect of which the volatility is an adjustment event, the following applies:

- (aa) the occurrence of an Additional Adjustment Event.]

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

"**Administrator**" means the Administrator if specified [in the "Administrator" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company appoints another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified [in the "Aggregate Nominal Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Auditor**" means the Auditor if specified [in the "Auditor" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Best-in observation, the following applies:]

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out observation, the following applies:]

"**Best-out Period**" means [Insert relevant day(s)] from and including the First Day of the Best-out Period (inclusive) to and including the Final Observation Date (inclusive).]

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

"**Calculation Date**" means each day on which the Reference Price is normally published by the Fund or the Management Company.

[In the case of Garant Cap Securities, the following applies:]

"**Cap Level**" means the Cap Level as specified [in the "Cap Level" column in Table [●]] in § 1 of the Product and Underlying Data.]

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

- (a) of the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer

- (i) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (ii) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("Euroclear Bank") (CBL and Euroclear are individually referred to as an "ICSD" (International Central Securities Depository) and, collectively, the "ICSDs").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System(s)].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Quanto and non-Quanto Securities, the following applies:

"**Conversion Event**" means Fund Conversion Event.]

[In the case of Compo Securities, the following applies:

"**Conversion Event**" means Fund Conversion Event or FX Conversion Event.]

"**Custodian Bank**" means the Custodian Bank if specified [in the "Custodian Bank" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of Securities with a final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

[In the case of Securities with a Best-out observation period, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**First Day of the Distribution Observation Period**" means the first Initial Observation Date.]

[In the case of Securities with a Worst-out observation, the following applies:]

"First Day of the Worst-out Period" means the First Day of the Worst-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

"First Trade Date" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

"Floor Level" means the Floor Level as specified [in the "Floor Level" column in Table [●]] in § 1 of the Product and Underlying Data.

"Fund" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the Fund in whose assets the Fund Share represents a proportional interest.

"Fund Conversion Event" means any of the following events:

(a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (respectively a **"Fund Replacement Event"**);

[(b) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no Replacement Underlying is available;]

[(b) [(c) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no Replacement Management Company is available;

[(c) [(d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

"Fund Documents" means, in relation to the Fund, in each case, if available and in the respective valid version: the annual report, the half-yearly report, [the interim reports] the sales prospectus, the terms and conditions of the Fund [, if applicable, the articles of association], the key investor information document and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

"Fund Management" means the persons responsible for the portfolio and/or risk management of the Fund.

"Fund Services Provider" means, if available, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor.

"Fund Share" means a unit or share of the Fund and of the class set out [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Compo Securities, the following applies:]

"FX Fixing Sponsor" means the FX Fixing Sponsor as specified in § 1 of the Product and Underlying Data.

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

"FX Calculation Date" means each day on which the FX is published by the FX Fixing Sponsor.

"FX Conversion Event" means any of the following events:

(a) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable New FX Fixing Sponsor (as defined in § 9 (1) of the Special Conditions) or Replacement Exchange Rate (as defined in § 9 (2) of the Special Conditions) is available;

(b) due to the occurrence of special circumstances or force majeure (such as catastrophes, war, acts of terrorism, insurgency, restrictions on payment transactions, entry of the country whose national currency is used into the European Economic and Monetary Union, withdrawal of that country from the European Economic and Monetary Union

and other circumstances having a comparable impact on the FX) the reliable determination of the FX is impossible or impracticable.

[If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency, the following applies:]

"**FX Exchange Rate**" means the exchange rate for the conversion of the Specified Currency into the Underlying Currency.]

[If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency, the following applies:]

"**FX Exchange Rate**" means the exchange rate for the conversion of the Underlying Currency into the Specified Currency.]

"**FX (initial)**" means the FX on the FX Observation Date (initial).

"**FX (final)**" means the FX on the FX Observation Date (final).

"**FX Market Disruption Event**" means any of the following events:

- (a) the failure to publish the FX by the FX Fixing Sponsor;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects which are similar to the events listed above;

to the extent that the above-mentioned events in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent are material.

[In the case of Securities with an initial reference price observation, the following applies:]

"**FX Observation Date (initial)**" means the FX Calculation Date immediately prior to the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:]

"**FX Observation Date (initial)**" means the FX Calculation Date immediately prior to the first Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:]

"**FX Observation Date (final)**" means the FX Calculation Date immediately following the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:]

"**FX Observation Date (final)**" means the FX Calculation Date immediately following the last Final Observation Date.]

"**FX Screen Page**" means the FX Screen Page as specified in § 1 of the Product and Underlying Data.]

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

"Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or

(b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"Investment Adviser" means the Investment Adviser if specified [in the "Investment Adviser" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Investment Adviser" column] as the Investment Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

"Issue Date" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:]

"Issuing Agent" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with 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 the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:]

"Last Day of the Distribution Observation Period" means the last Final Observation Date.]

[In the case of Securities with a Worst-in observation, the following applies:]

"Last Day of the Worst-in Period" means the Last Day of the Worst-in Period specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Management Company" means the Management Company if specified [in the "Management Company" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund specifies another person, company or institution as so specified in the "Management Company" column as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"Market Disruption Event" means any of the following events:

- (a) the failure to calculate or the non-publication of the calculation of the NAV as a result of a decision by the Management Company or by the Fund Services Provider on behalf of the Management Company,
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund, the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of Fund Shares for a specified period or to restrict the redemption or issue of Fund Shares to a specified portion of the Fund volume or to levy additional fees, or

- (d) the Fund or the Management Company redeems the Fund Shares in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent.

"**Minimum Amount**" means the Minimum Amount as specified [in the "Minimum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Maturity Date**" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Garant Cap Quanto and non-Quanto Securities, the following applies:]

"**Maximum Amount**" means Nominal Amount x Cap Level.]

[In the case of Garant Cap Compo¹⁸ Securities, the following applies:]

"**Maximum Amount**" means Nominal Amount x [Floor Level + (Cap Level - Strike) x FX (initial) / FX (final)].]

[In the case of Garant Cap Compo¹⁹ Securities, the following applies:]

"**Maximum Amount**" means Nominal Amount x [Floor Level + (Cap Level - Strike) x FX (final) / FX (initial)].]

"**NAV**" means the official net asset value (the "**Net Asset Value**") for a Fund Share as published by the Fund or the Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:]

"**Initial Observation Date**" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:]

"**Initial Observation Date**" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:]

"**Final Observation Date**" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

[In the case of Securities with a final average observation, the following applies:]

¹⁸ If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

¹⁹ If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

"Final Observation Date" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If a Final Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

"Participation Factor" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

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

"Portfolio Manager" means the Portfolio Manager if specified [in the "Portfolio Manager" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"Principal Paying Agent" means the Principal Paying Agent as specified in § 2 (1) of the Product and Underlying Data.

[In the case of Securities where R (initial) has already been specified, the following applies:

"R (initial)" means R (initial) as specified [in the "R (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"R (initial)" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (initial)" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors, determined on the Initial Observation Dates.]

[In other cases, the following applies:

"R (initial)" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]]

[In the case of Securities with a Best-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (initial)" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-in Period.]

[In other cases, the following applies:

"R (initial)" means the highest Reference Price during the Best-in Period.]]

[In the case of Securities with a Worst-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (initial)" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-in Period.]

[In other cases, the following applies:

"R (initial)" means the lowest Reference Price during the Worst-in Period.]]

[In the case of Securities with a final reference price observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the value of the product of Reference Price and Reference Price Adjustment Factor on the Final Observation Date.]

[In other cases, the following applies:

"**R (final)**" means the Reference Price on the Final Observation Date.]]

[In the case of Securities with a final average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors, determined on the Final Observation Dates.]

[In other cases, the following applies:

"**R (final)**" means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]]

[In the case of Securities with a Best-out observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-out Period.]

[In other cases, the following applies:

"**R (final)**" means the highest Reference Price during the Best-out Period.]]

[In the case of Securities with a Worst-out observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-out Period.]

[In other cases, the following applies:

"**R (final)**" means the lowest Reference Price during the Worst-out Period.]]

"**Redemption Amount**" means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Price**" means the Reference Price of the Underlying as specified [in the "Reference Price" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Reference Price Adjustment Factor**" means, in relation to an Observation Date, the product of all the Underlying Distribution Factors for which the Underlying Distribution Ex-Date falls into [the period] [the time] between the First Day of the Distribution Observation Period (exclusive) and the respective Observation Date (inclusive).]

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

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"**Strike**" means the Strike as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a Fund Share as specified [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the "Underlying Currency" column in Table 2.2] in § 2 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Underlying Distribution**" means each cash distribution specified by the Calculation Agent in its reasonable discretion [in the case of Securities governed by German law, insert: (§ 315 BGB)] that is declared and paid by the Fund or the Management Company in respect of the Underlying.

"**Underlying Distribution Date**" means, in relation to an Underlying Distribution, the Calculation Date immediately prior to the respective Underlying Distribution Ex-Date.

"**Underlying Distribution Ex-Date**" means, in relation to an Underlying Distribution, the first day on which the NAV is published having been reduced by that Underlying Distribution.

"**Underlying Distribution Factor**" means the Underlying Distribution Factor calculated by the Calculation Agent in respect of each Underlying Distribution Ex-Date within the Underlying Distribution Observation Period as the total of (i) one and (ii) the quotient of the respective Underlying Distribution (net) and the NAV on the respective Underlying Distribution Date.

"**Underlying Distribution (net)**" means, in relation to an Underlying Distribution, that Underlying Distribution less an amount specified by the Calculation Agent in its reasonable discretion [in the case of Securities governed by German law, insert: (§ 315 BGB)] equal to the taxes, levies, retentions, deductions or other charges that would arise with respect to the cash distribution for a private investor fully liable to tax in Germany if he were the holder of the Underlying.

"**Underlying Distribution Observation Period**" means each Calculation Date between the First Day of the Distribution Observation Period (exclusive) and the Last Day of the Distribution Observation Period.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website (s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in observation period, the following applies:

"**Worst-in Period**" means [*Insert relevant day(s)*] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out observation period, the following applies:

"**Worst-out Period**" means [*Insert relevant day(s)*] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

§ 2

Interest

The Securities do not bear interest.

§ 3

Redemption

Redemption: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

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

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals an amount in the Specified Currency, which is calculated or, respectively, specified by the Calculation Agent as follows:

[In the case of Garant non-Quanto Securities, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike))

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Quanto Securities, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Compo²⁰ Securities, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) x FX (initial)/FX (final)

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Compo²¹ Securities, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) x FX (final) / FX (initial)

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Cap non-Quanto Securities the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike))

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

[In the case of Garant Cap Quanto Securities the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

²⁰ If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

²¹ If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

[In the case of Garant Cap Compo²² Securities the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) x FX (initial) / FX (final)

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

[In the case of Garant Cap Compo²³ Securities the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)) x FX (final) / FX (initial)

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

§ 5

Issuer's Conversion Right

Issuer's conversion right: If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*in the case of Securities governed by German law, insert: (§ 315 BGB)*], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.

²² If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

²³ If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

[In the case of Securities with an averaging observation, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such a postponement, several Observation Dates fall on the same day, then each of those Observation Dates shall be deemed to be an Observation Date for averaging purposes.]

- [(1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Compo Securities, the following applies:

If a FX Market Disruption Event occurs on an FX Observation Date, the respective FX Observation Date will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date or FX Observation Date, as the case may be, shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [*Insert number of Banking Days*] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*in the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [*Insert time and financial centre*] on this [*Insert number of the following Banking Day*] Banking Day, taking into account the financial position of the Security Holders.

[Should the FX Market Disruption Event continue for more than [*Insert number of Banking Days*] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*in the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective FX. The FX required for the calculation or specification of the Redemption Amount shall be determined in accordance with prevailing market conditions at [*Insert time and financial centre*] on this [*Insert number of the following Banking Day*] Banking Day, taking into account the financial position of the Security Holders.]]

§ 8

Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*in the case of Securities governed by German law, insert:* (§ 315 BGB)] adjust the Terms and Conditions (in particular the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of the Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*in the case of Securities governed by German law, insert:* (§ 315 BGB)] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to the Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to the Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in the Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (3) *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- (3) *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

- (4) If the Underlying is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in the Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[In the case of Compo Securities, the following applies:

§ 9

New FX Fixing Sponsor, Replacement Exchange Rate

- (1) *New FX Fixing Sponsor:* In the event that the FX Exchange Rate is no longer determined and published by the FX Fixing Sponsor, calculations or specifications of the Calculation Agent described in the Terms and Conditions shall occur on the basis of the determinations and publications by another person, company or institution which shall be specified by the Calculation Agent in its reasonable discretion [in the case of Securities governed by German law, insert: (§ 315 BGB)] (the "**New FX Fixing Sponsor**"). In this case each and every reference to the FX Fixing Sponsor in the Terms and Conditions, depending on the context, shall be deemed to refer to the New FX Fixing Sponsor. The New FX Fixing Sponsor and the time of its initial application shall be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Exchange Rate:* In the event that the FX Exchange Rate is no longer determined and published, the calculations or specifications of the Calculation Agent described in the Terms and Conditions shall occur on the basis of an exchange rate determined and published by another method, which will be specified by the Calculation Agent in its reasonable discretion [in the case of Securities governed by German law, insert: (§ 315 BGB)] (the "**Replacement Exchange Rate**"). In this case of a Replacement Exchange Rate each and every reference to the FX Exchange Rate, depending on the context, shall be deemed to refer to the Replacement Exchange Rate. The Replacement Exchange Rate and the time of its initial application shall be published in accordance with § 6 of the General Conditions.]]

Option 2: Fund Index Securities

[Option 2: In the case of Fund Index Securities, the following applies:]

§ 1

Definitions

"**Adjustment Event**" means each Index Adjustment Event and Fund Adjustment Event.

"**Administrator**" means the Administrator if specified [in the "Administrator" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified [in the "Aggregate Nominal Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Auditor**" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents for the purpose of auditing the Reference Fund in connection with the annual report.

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (**TARGET2**) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

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

"**Calculation Date**" means each day on which the Reference Price is normally published as scheduled by the Index Sponsor or the Index Calculation Agent.

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

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* of the Issuer

- (a) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in respect of the securities that form the basis of the Underlying and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "ICSD" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System (s)].]

"**Conversion Event**" means any of the following events:

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

"**Custodian Bank**" means, in relation to a Reference Fund, a person, company or institution acting as custodian of the Reference Fund's assets according to the Fund Documents.

[In the case of Securities with final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

"**Floor Level**" means the Floor Level as specified [in the "Floor Level" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Fund Adjustment Event**" means:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer and/or the Hedging Party to comply with the terms of its hedging transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency of the Fund Shares, (iv) the respective method of calculating the net asset value or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;
- (b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;

- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees existing at the date the Reference Fund and where included in the Underlying);
- (d) the Reference Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Reference Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) (i) a change in the legal, accounting, tax or regulatory treatment of the Reference Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Reference Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Reference Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings, a conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company or a Fund Services Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- (f) a breach of the investment objectives or the investment restrictions of the Reference Fund (as defined in the Fund Documents) or a breach of statutory or regulatory requirements by the Reference Fund or the Management Company;
- (g) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer or the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer or the Hedging Party with respect to its hedging transactions to an extent that is significant in comparison with the conditions applying on the First Trade Date;
- (h) an increase in the proportion of the volume held by the Issuer and the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into hedging transactions beyond [*Insert relevant percentage*]% of the outstanding Fund Shares in the Reference Fund;
- (i) the Issuer or the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
- (j) the sale or redemption of Fund Shares for reasons affecting the Issuer or the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (k) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;
- (l) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer, the Hedging Party or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (m) no notification is given of the bases of taxation for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "**InvStG**") or

- the Reference Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;
- (n) the Reference Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Index Calculation Agent, the Issuer or the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
 - (o) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
 - (p) the Reference Fund or the Management Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
 - (q) any other event that could have a noticeable adverse effect on the net asset value of the Reference Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;

to the extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], the financial position of a hypothetical investor or of the Hedging Party or of the Security Holders suffers a significant adverse change as a result.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

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

"**Fund Documents**" means, in relation to a Reference Fund, – in each case, if available and in the respective most recent version – the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund [if applicable the articles of association], the key investor information and all other documents of the Reference Fund in which the terms and conditions of the Reference Fund and of the Fund Shares are specified.

"**Fund Services Provider**" means, if available, in relation to a Reference Fund, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor of the Reference Fund.

"**Fund Share**" means an Index Component which is a share in a Fund.

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

"**Hedging Party**" means the Hedging Party as specified in § 1 of the Product and Underlying Data. The Calculation Agent shall be entitled to specify another person or company as the Hedging Party (the "**Successor Hedging Party**") at any time. The Calculation Agent shall give notice of the specification of a Successor Hedging Party pursuant to § 6 of the General Conditions. In this case each and every reference to the Hedging Party in these Terms and Conditions, depending on the context, shall be deemed to refer to the Successor Hedging Party.

"Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

(a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or

(b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"Index Adjustment Event" means any of the following events:

(a) changes in the relevant Index Concept or the calculation of the Underlying that, in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent, result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;

(b) the calculation or publication of the Underlying is permanently discontinued or it is replaced by another index (the **"Index Replacement Event"**);

(c) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying;

(d) the Reference Price is no longer published in the Underlying Currency.

"Index Calculation Agent" means the Index Calculation Agent as specified [in the "Index Calculation Agent" column in Table 2.2] in § 2 of the Product and Underlying Data.

"Index Component" means, in relation to the Underlying, an asset or a reference value which is incorporated in the calculation of the Underlying at the relevant time.

"Index Conversion Event" means each of the following events:

(a) an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;

(b) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable Replacement Underlying is available;

(c) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;

(d) the determination or publication of the Underlying no longer occurs in the Underlying Currency.

"Index Sponsor" means the Index Sponsor as specified [in the "Index Sponsor" column in Table 2.1] in § 2 of the Product and Underlying Data.

"Investment Adviser" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an adviser with respect to the investment activities of the Reference Fund.

"Issue Date" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

"Issuing Agent" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

"Management Company" means, in relation to a Reference Fund, a person, company or institution that manages the Reference Fund according to the Fund Documents.

"Market Disruption Event" means any of the following events:

with respect to the Underlying:

- (a) the suspension or restriction of trading generally on the exchanges or markets on which the Index Components are traded;
- (b) in relation to an Index Component, the suspension or restriction of trading on the exchanges or markets on which that Index Component is traded or on the respective futures exchanges or markets on which derivatives linked to that Index Component are traded;
- (c) in relation to individual derivatives linked to the Underlying, the suspension or restriction of trading on the futures exchanges or markets on which such derivatives are traded;
- (d) the failure to calculate or the cessation or non-publication of the calculation of the Underlying as the result of a decision by the Index Sponsor or the Index Calculation Agent;

with respect to a Reference Fund:

- (e) in relation to a Reference Fund, the failure to calculate or the non-publication of the calculation of the respective NAV as the result of a decision by the respective Management Company or a Fund Services Provider on its behalf,
- (f) in relation to a Reference Fund, the closure, conversion or insolvency of the Reference Fund or other circumstances which make it impossible to determine the NAV, or
- (g) in relation to a Reference Fund, it is not possible to trade Fund Shares at the NAV, including the utilisation of provisions which suspend the redemption or issuance of Fund Shares for a particular period or restrict them to a particular portion of the volume of the Reference Fund or make them subject to the imposition of additional charges, or which permit particular assets to be segregated or payment to be made in kind instead of in cash or in the case in which payment is not made in full on the redemption of Fund Shares, and
- (h) in relation to a Reference Fund, comparable provisions which affect the ability of the Issuer to hedge its obligations under the Securities,
- (i) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Reference Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent.

"Maturity Date" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities with a Minimum Amount and a Cap, the following applies:

"Maximum Amount" means the Maximum Amount as specified [in the "Maximum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Minimum Amount" means the Minimum Amount as specified [in the "Minimum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"NAV" means the official net asset value (the **"Net Asset Value"**) for a Fund Share as published by the Reference Fund or from its Management Company and at which it is actually possible to redeem Fund Shares.

"Nominal Amount" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"Observation Date" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

"Initial Observation Date" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"Initial Observation Date" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:

"Final Observation Date" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Final Observation Date. Interests shall not be paid for such a postponement.]

[In the case of Securities with a final average observation, the following applies:

"Final Observation Date" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If a Final Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Final Observation Date. Interests shall not be paid for such a postponement.]

"Participation Factor" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

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

"Portfolio Manager" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an portfolio manager with respect to the investment activities of the Reference Fund. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"Principal Paying Agent" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

"R (initial)" means R (initial) as specified [in the "R (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"R (initial)" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"R (initial)" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

[In the case of Securities with a final reference price observation, the following applies:

"R (final)" means the Reference Price on the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

"**R (final)**" means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]

"**Redemption Amount**" means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Fund**" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share has a proportional interest.

"**Reference Price**" means the Reference Price of the Underlying as specified [in the "Reference Price" column in Table [●]] in § 1 of the Product and Underlying Data.

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

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days relating to a Security that forms the basis of the Underlying, within which settlement will customarily occur according to the rules of that Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"**Strike**" means the Strike as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Transfer and Registration Agent**" means, in relation to a Reference Fund, a person, company or institution entrusted with maintaining the books and records with respect to the shareholders of the Reference Fund according to the Fund Documents.

"**Underlying**" means the Underlying as specified [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the "Underlying Currency" column in Table 2.1] in § 2 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

§ 2

Interest

The Securities do not bear interest.

§ 3

Redemption

Redemption: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

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

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Securities with a Minimum Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Securities with a Minimum Amount and Cap, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

§ 5

Issuer's Conversion Right

- (1) *Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to

the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.

- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

[In the case of Securities with an averaging observation, the following applies:

Postponement: Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such a postponement, several Observation Dates fall on the same day, then each of those Observation Dates shall be deemed to be an Observation Date for averaging purposes.]

[Postponement: Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

§ 8

Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification

- (1) *Index Concept:* The basis for the calculations or specifications of the Calculation Agent described in these Terms and Conditions shall be the Underlying with its provisions applicable from time to time, as developed and maintained by the Index Sponsor, as well as the respective method of calculation, determination and publication of the price of the Underlying (the "**Index Concept**") applied by the Index Sponsor. This shall also apply if during the term of the Securities changes are made or occur in respect of the Index Concept, or if other measures are taken which have an impact on the Index Concept, unless otherwise provided in the provisions below.
- (2) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* adjust these Terms and Conditions (in particular, the ratio, the Underlying and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available NAV or the liquidation proceeds for the Reference Fund. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event,

including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.

- (3) *Replacement Underlying*: In cases of an Index Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] determining which index should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.
- (4) *New Index Sponsor and New Index Calculation Agent*: If the Underlying is no longer determined by the Index Sponsor but by another person, company or institution (the "**New Index Sponsor**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as determined by the New Index Sponsor. In this case, any reference to the Index Sponsor shall be deemed to refer to the New Index Sponsor, depending on the context. If the Underlying is no longer calculated by the Index Calculation Agent but by another person, company or institution (the "**New Index Calculation Agent**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as calculated by the New Index Calculation Agent. In this case, any reference to the Index Calculation Agent shall be deemed to refer to the New Index Calculation Agent, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (5) *Replacement Specification*: If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- (5) *Replacement Specification*: If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

- (6) If the Reference Fund is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.
- (7) If the Reference Fund is replaced by the Index Sponsor in accordance with the Index Concept by one or more other funds (in each case a "**Replacement Reference Fund**"), each and every reference to the Reference Fund in these Terms and Conditions shall be deemed, depending on the context, to refer to the respective Replacement Reference Fund. The Replacement Reference Fund shall be published pursuant to § 6 of the General Conditions.]

Option 3: Fund Reverse Convertible Securities

[Option 3: In the case of Fund Reverse Convertible Securities, the following applies:

§ 1

Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event:

"Additional Adjustment Events" means:

the historic volatility of the Underlying exceeds a volatility level of [Insert]%. The historic volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the NAV over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[\ln \left[\frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left(\sum_{q=1}^P \ln \left[\frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV (t-k)" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the NAV for the most recent [Insert number of days] Calculation Dates and standardized to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates in each case. The volatility determined using this method may not exceed a volatility level of [Insert]%.]

"Adjustment Event" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;
- (b) requests for the issue, redemption or transfer of Fund Shares are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or Management Company or a provider of fund services appointed for this purpose by the Fund or Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;

- (f) a change of significant individuals in key positions at the Management Company or in Fund Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [●]% of the Fund Shares outstanding;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;

- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency.

[In the case of Securities where the volatility is an Additional Adjustment Event:

- (aa) the occurrence of an Additional Adjustment Event.]

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

"Administrator" means the Administrator if specified [in the "Administrator" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"Aggregate Nominal Amount" means the Aggregate Nominal Amount of the series as specified [in the "Aggregate Nominal Amount of the Series" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Auditor**" means the Auditor if specified [in the "Auditor" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (**TARGET2**) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Best-in observation, the following applies:]

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out observation, the following applies:]

"**Best-out Period**" means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

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

"**Calculation Date**" means each day on which the Reference Price is normally published by the Fund or the Management Company.

[In the case of Quanto Securities with cash settlement and in the case of non-Quanto Securities, the following applies:]

"**Call Event**" means each Fund Call Event.]

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:]

"**Call Event**" means Fund Call Event or FX Call Event.]

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

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Issuer

- (a) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("CBL") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "ICSD" (International Central Securities Depository) and, collectively, the "ICSDs").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System(s)].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

"**Day Count Fraction**" means the Day Count Fraction as specified in § 2 of the Special Conditions.

"**Custodian Bank**" means the Custodian Bank if specified [in the "Custodian Bank" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of floating-rate Securities, the following applies:

"**Designated Maturity**" means the Designated Maturity as specified in § 1 of the Product and Underlying Data.]

[In the case of floating-rate Securities with EURIBOR as the Reference Rate, the following applies:

"**Eurozone**" means the states and territories listed in the Annex to Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro, as amended.]

[In the case of Securities with final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

[In the case of Securities with a Best-out observation, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out observation, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

"**FX Fixing Sponsor**" means the FX Fixing Sponsor as specified in § 1 of the Product and Underlying Data.

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

"**FX Calculation Date**" means each day on which the FX is published by the FX Fixing Sponsor.

"**FX Call Event**" means any of the following events:

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

[If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency, the following applies:

"**FX Exchange Rate**" means the exchange rate for the conversion of the Specified Currency into the Underlying Currency.]

[If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency, the following applies:

"**FX Exchange Rate**" means the exchange rate for the conversion of the Underlying Currency into the Specified Currency.]

"**FX (initial)**" means the FX on the FX Observation Date (initial).

"**FX (final)**" means the FX on the FX Observation Date (final).

"**FX Market Disruption Event**" means any of the following events:

- (a) the failure to publish the FX by the FX Fixing Sponsor;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects which are similar to the events listed above;

to the extent that the above-mentioned events in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent are material.

[In case of Securities with an initial reference price observation, the following applies:

"**FX Observation Date (initial)**" means the FX Calculation Date immediately prior to the Initial Observation Date.]

[In case of Securities with an initial average observation, the following applies:

"**FX Observation Date (initial)**" means the FX Calculation Date immediately prior to the first Initial Observation Date.]

[In case of Securities with final reference price observation, the following applies:

"**FX Observation Date (final)**" means the FX Calculation Date immediately following the Final Observation Date.]

[In case of Securities with a final average observation, the following applies:

"FX Observation Date (final)" means the FX Calculation Date immediately following the last Final Observation Date.]

"FX Screen Page" means the FX Screen Page as specified in § 1 of the Product and Underlying Data.]

"Fund" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the Fund in whose assets the Fund Share represents a proportional interest.

"Fund Call Event" means any of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders [**"Fund Replacement Event"**];
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company is available;
- (c) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

"Fund Documents" means, in relation to the Fund, in each case, if available and in the respective valid version: the annual report, the half-yearly report, [the interim reports,] the sales prospectus, the terms and conditions of the Fund, as well as, if applicable, the articles of association, the key investor information document and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

"Fund Management" means the persons responsible for the portfolio and/or risk management of the Fund.

"Fund Services Provider" means, if applicable, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor.

"Fund Share" means a unit or share of the Fund and of the class set out [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"Hedging Disruption" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

"Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"Interest Commencement Date" means the Interest Commencement Date as specified in § 1 of the Product and Underlying Data.

"Interest End Date" means the Interest End Date as specified [in the "Interest End Date" column in Table [●]] in § 1 of the Product and Underlying Data.

"Interest Amount" means the Interest Amount specified in § 2 of the Special Conditions.

[In the case of floating-rate Securities with EURIBOR as the Reference Rate, the following applies:]

"Interest Determination Date" means the second TARGET Banking Day prior to the commencement of the respective Interest Period. **"TARGET Banking Day"** means a day on which TARGET2 is ready for operation.]

[In the case of floating-rate Securities with LIBOR as the Reference Rate, the following applies:]

"Interest Determination Date" means the [Insert number] London Banking Day prior to the commencement of the respective Interest Period. **"London Banking Day"** means a day (other than a Saturday or Sunday) on which commercial banks in London are open for business (including foreign exchange business)]

[In the case of Securities with an interest payment, the following applies:]

"Interest Payment Date" means the Interest Payment Date as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with several interest payments, the following applies:]

"Interest Payment Date" means each Interest Payment Date as specified in § 1 of the Product and Underlying Data. Interest Payment Dates are subject to postponements in accordance with these Terms and Conditions.]

[In the case of Act/Act (ICMA), the following applies:]

"Interest Period" means the period from an Interest Payment Date (inclusive) to the next following Interest Payment Date (exclusive).]

[In the case of Securities with an interest payment on the Maturity Date, the following applies:]

"Interest Period" means the period from the Interest Commencement Date (inclusive) to the Interest End Date (exclusive).]

[In the case of Securities with several interest payments, the following applies:]

"Interest Period" means the period from the Interest Commencement Date (inclusive) to the first Interest Payment Date (exclusive) and from each Interest Payment Date (inclusive) to the respective following Interest Payment Date (exclusive). The last Interest Period ends on the Interest End Date (exclusive).]

"Interest Rate" means the Interest Rate as specified in § 2 of the Special Conditions.

[In the case of Securities with an interest payment on the Maturity Date, the following applies:]

"Investment Adviser" means the Investment Adviser if specified [in the "Investment Adviser" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Investment Adviser" column] as the Investment Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

"Issue Date" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:]

"Issuing Agent" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with 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 the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-in observation, the following applies:]

"Last Day of the Worst-in Period" means the Last Day of the Worst-in Period specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of floating-rate Securities with LIBOR as the Reference Rate, the following applies:

"Management Company" means the Management Company if specified [in the "Management Company" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund specifies another person, company or institution as so specified in the "Management Company" column as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"Maturity Date" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

"Market Disruption Event" means any of the following events:

- (a) the failure to calculate or the non-publication of the calculation of the NAV as a result of a decision by the Management Company or by the Fund Services Provider on behalf of the Management Company, or
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund, the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of Fund Shares for a specified period or to restrict the redemption or issue of Fund Shares to a specified portion of the Fund volume or to levy additional fees, or
- (d) the Fund or the Management Company redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.

[In the case of floating-rate Securities with a Maximum Interest Rate, the following applies:

"Maximum Interest Rate" means the Maximum Interest Rate as specified [in the "Maximum Interest Rate" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Minimum Interest Rate, the following applies:

"Minimum Interest Rate" means the Minimum Interest Rate as specified [in the "Minimum Interest Rate" column in Table [●]] in § 1 of the Product and Underlying Data.]

"NAV" means the official net asset value (the **"Net Asset Value"**) for a Fund Share as published by the Fund or the Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.

[In the case of floating-rate Securities with a Negative Spread, the following applies:

"Negative Spread" means the Negative Spread as specified [in the "Negative Spread" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Nominal Amount" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"Observation Date" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

"Initial Observation Date" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"Initial Observation Date" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:

"Final Observation Date" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

[In the case of Securities with a final average observation, the following applies:

"Final Observation Date" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If a Final Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

[In the case of floating-rate Securities with a Positive Spread, the following applies:

"Positive Spread" means the Positive Spread as specified [in the "Positive Spread" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Portfolio Manager" means the Portfolio Manager if specified [in the "Portfolio Manager" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"Principal Paying Agent" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

"R (initial)" means R (initial) as specified [in the "R (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"R (initial)" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"R (initial)" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in observation, the following applies:

"R (initial)" means the highest Reference Price during the Best-in Period.]

[In the case of Securities with a Worst-in observation, the following applies:

"R (initial)" means the lowest Reference Price during the Worst-in Period.]

[In the case of Securities with a final reference price observation, the following applies:]

"**R (final)**" means the Reference Price on the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:]

"**R (final)**" means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]

[In the case of Securities with a Best-out observation, the following applies:]

"**R (final)**" means the highest Reference Price during the Best-out Period.]

[In the case of Securities with a Worst-out observation, the following applies:]

"**R (final)**" means the lowest Reference Price during the Worst-out Period.]

[In the case of Securities which provide for the physical delivery of the Underlying in certain circumstances and where the Ratio has already been specified, the following applies:]

"**Ratio**" means the Ratio as specified [in the "Ratio" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities which provide for the physical delivery of the Underlying in certain circumstances and where the Ratio has yet to be specified, the following applies:]

"**Ratio**" means the Ratio calculated by the Calculation Agent using the following formula:

Ratio = Nominal Amount / Strike]

[The Ratio shall be rounded up or down to six decimal places, with 0.0000005 being rounded upwards.]

"**Redemption Amount**" means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

[In the case of all floating-rate Securities with EURIBOR as the Reference Rate, the following applies:]

"**Reference Banks**" means four major banks in the Eurozone interbank market specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB).]

[In the case of all floating-rate Securities with LIBOR as the Reference Rate, the following applies:]

"**Reference Banks**" means four major banks in the London interbank market specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB).]

[In the case of all floating-rate Securities with LIBOR as the Reference Rate, the following applies:]

"**Reference Currency**" means the Reference Currency as specified in § 1 of the Product and Underlying Data.]

"**Reference Price**" means the Reference Price of the Underlying as specified [in the "Reference Price" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of all floating-rate Securities, the following applies:]

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

[In the case of all floating-rate Securities with LIBOR as the Reference Rate, the following applies:]

"**Reference Rate Financial Centre**" means the Reference Rate Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of floating-rate Securities, the following applies:]

"**Screen Page**" means the Screen Page and, if applicable, the corresponding heading as indicated in § 1 of the Product and Underlying Data. If that page is replaced or if the relevant service is no longer available, the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] shall specify another Screen Page

on which the Reference Rate is displayed. This new Screen Page will be published in accordance with § 6 of the General Conditions.]

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

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

"**Settlement Cycle**" means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

[In the case of Securities where the Strike has already been specified, the following applies:

"**Strike**" means the Strike as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities where the Strike has yet to be specified, the following applies:

"**Strike**" means Strike Level x R (initial).]

[In the case of Securities where the Strike has yet to be specified, the following applies:

"**Strike Level**" means the Strike Level as specified [in the "Strike Level" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a Fund Share as specified [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the "Underlying Currency" column in Table 2.1] in § 2 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out observation, the following applies:

"**Worst-out Period**" means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

§ 2

Interest

[In the case of Securities with only one Interest Period and CBF as Clearing System or if otherwise applicable, the following applies:

- (1) *Interest:* The Securities bear interest on their Aggregate Nominal Amount from the Interest Commencement Date (inclusive) until the Interest End Date (exclusive) at the Interest Rate.]

[In the case of Securities with several Interest Periods and CBF as Clearing System or if otherwise applicable, the following applies:

- (1) *Interest:* The Securities bear interest on their Aggregate Nominal Amount from the Interest Commencement Date (inclusive) for each Interest Period until the Interest End Date (exclu-

sive) at the respective Interest Rate.]

[In the case of Securities with only one Interest Period and CBL as Clearing System or if otherwise applicable, the following applies:

- (1) *Interest:* The Securities bear interest on their Nominal Amount from the Interest Commencement Date (inclusive) until the Interest End Date (exclusive) at the Interest Rate.]

[In the case of Securities with several Interest Periods and CBL as Clearing System or if otherwise applicable, the following applies:

- (1) *Interest:* The Securities bear interest on their Nominal Amount from the Interest Commencement Date (inclusive) for each Interest Period until the Interest End Date (exclusive) at the respective Interest Rate.]

[In the case of fixed-rate Securities, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Interest Rate as specified [in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities which provide for different Interest Rates for each Interest Period, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Interest Rate indicated for the respective Interest Period in § 1 of the Product and Underlying Data.]

[In the case of floating-rate Securities, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Reference Rate for the Designated Maturity as displayed on the Screen Page on the relevant Interest Determination Date.]

[In the case of floating-rate Securities with a Positive Spread, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Reference Rate for the Designated Maturity as displayed on the Screen Page on the relevant Interest Determination Date, plus the Positive Spread.]

[In the case of floating-rate Securities with a Negative Spread, the following applies:

- (2) *Interest Rate:* "**Interest Rate**" means the Reference Rate for the Designated Maturity as displayed on the Screen Page on the relevant Interest Determination Date, minus the Negative Spread.]

[In the case of Securities with a Maximum Interest Rate, the following applies:

If the Interest Rate determined for an Interest Period in accordance with the provisions above is greater than the Maximum Interest Rate, then the Interest Rate for that Interest Period shall be the Maximum Interest Rate.]

[In the case of Securities with a Minimum Interest Rate, the following applies:

If the Interest Rate determined for an Interest Period in accordance with the provisions above is less than the Minimum Interest Rate, then the Interest Rate for that Interest Period shall be the Minimum Interest Rate.]

[In the case of floating-rate Securities with EURIBOR as the Reference Rate, the following applies:

- (3) *Reference Rate:* "**Reference Rate**" means the offered rate (expressed as a percentage per annum) for deposits in Euros for the corresponding Designated Maturity displayed on the Screen Page at 11:00 a.m. Brussels time on the relevant Interest Determination Date.

If either the Screen Page is not available or no offered rate is displayed at the time specified, then the Calculation Agent will ask each of the Reference Banks in the Eurozone to quote the rate at which they are offering deposits in Euros for the corresponding Designated Maturity in a representative amount to leading banks in the Eurozone interbank market at approximately 11:00 a.m. Brussels time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Calculation Agent with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest thousandth of a percentage point, with 0.0005 rounded upwards).

In the event that on an Interest Determination Date no Reference Bank or only one provides the Calculation Agent with such a quotation, the relevant Reference Rate shall be the arithmetic mean (rounded as described above) of the rates at which major banks in the Eurozone selected by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are offering loans in Euros for the corresponding Designated Maturity in a representative amount to leading European banks at approximately 11:00 a.m. Brussels time on that Interest Determination Date.]

[In the case of floating-rate Securities with LIBOR as the Reference Rate, the following applies:

- (3) *Reference Rate: "Reference Rate"* means the offered rate (expressed as a percentage per annum) for deposits in the Reference Currency for the corresponding Designated Maturity displayed on the Screen Page at 11:00 a.m. London time on the relevant Interest Determination Date.

If either the Screen Page is not available or no offered rate is displayed at the time specified, then the Calculation Agent will ask the London head offices of each of the Reference Banks to quote the rate at which they are offering deposits in the Reference Currency for the corresponding Designated Maturity in a representative amount to leading banks in the London interbank market at approximately 11:00 a.m. London time on the relevant Interest Determination Date.

In the event that two or more Reference Banks provide the Calculation Agent with such quotations, the Reference Rate for the relevant Interest Period shall be the arithmetic mean of those quotations (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 rounded upwards).

In the event that on an Interest Determination Date no Reference Bank or only one provides the Calculation Agent with such a quotation, the relevant Reference Rate shall be the arithmetic mean (rounded as described above) of the rates at which major banks in the Reference Rate Financial Centre selected by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are offering loans in the Reference Currency for the corresponding Designated Maturity in a representative amount to leading European banks at approximately 11:00 a.m. Reference Rate Financial Centre time on that Interest Determination Date.]

[In the case of interest-bearing non-Quanto Securities with CBF as Clearing System or if otherwise applicable, the following applies:

- [(3)][(4)] *Interest Amount:* The respective "**Interest Amount**" shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Aggregate Nominal Amount by the Day Count Fraction.

The respective Interest Amount becomes due for payment on the corresponding Interest Payment Date in accordance with the provisions of § 6 of the Special Conditions.]

[In the case of interest-bearing Quanto Securities with CBF as Clearing System or if otherwise applicable, the following applies:

- [(3)][(4)] *Interest Amount:* The respective "**Interest Amount**" shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Aggregate Nominal Amount by the Day Count Fraction.

The respective Interest Amount becomes due for payment on the corresponding Interest Payment Date in accordance with the provisions of § 6 of the Special Conditions.]

[In the case of interest-bearing non-Quanto Securities with CBL as Clearing System or if otherwise applicable, the following applies:

[(3)][(4)] *Interest Amount:* The respective "**Interest Amount**" shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Nominal Amount by the Day Count Fraction.
The respective Interest Amount becomes due for payment on the corresponding Interest Payment Date in accordance with the provisions of § 6 of the Special Conditions.]

[In the case of interest-bearing Quanto Securities with CBL as Clearing System or if otherwise applicable, the following applies:

[(3)][(4)] *Interest Amount:* The respective "**Interest Amount**" shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Nominal Amount by the Day Count Fraction.
The respective Interest Amount becomes due for payment on the corresponding Interest Payment Date in accordance with the provisions of § 6 of the Special Conditions.]

[(4)][(5)] *Day Count Fraction:* "**Day Count Fraction**" for the purpose of calculating the Interest Amount for an Interest Period means:

[In the case of Securities where "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2000 is applicable, the following applies:

the number of days in the Interest Period divided by 360, with the number of days being calculated on the basis of a year with 360 days and with 12 months of 30 days each (unless (A) the last day of the Interest Period is the 31st day of a month and the first day of the Interest Period is neither the 30th nor the 31st of a month, in which case the month containing that day is not treated as a month shortened to 30 days, or (B) the last day of the Interest Period is the last day of the month of February, in which case the month of February is not treated as a month extended to 30 days).]

[In the case of Securities where "30/360", "360/360" or "Bond Basis" in accordance with ISDA 2006 is applicable, the following applies:

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"**Y₁**" is the year, expressed as a number, into which the first day of the Interest Period falls;

"**Y₂**" is the year, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"**M₁**" is the calendar month, expressed as a number, into which the first day of the Interest Period falls;

"**M₂**" is the calendar month, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"**D₁**" 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

"**D₂**" 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.]

[In the case of Securities where "30E/360" or "Eurobond Basis" in accordance with ISDA 2000 (German interest calculation method) is applicable, the following applies:

the number of days in the Interest Period divided by 360, with the number of days being calculated on the basis of a year with 360 days and with 12 months of 30 days each, and disregarding the first or last day of the Interest Period (unless the last day of the Interest Period ending

on the Maturity Date is the last day in the month of February, in which case the month of February is deemed not to be extended to a month of 30 days).]

[In the case of Securities where "30E/360" or "Eurobond Basis" in accordance with ISDA 2006 is applicable, the following applies:

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y₁" is the year, expressed as a number, into which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, into which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"D₁" 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

"D₂" 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 D₂ is equal to 30.]

[In the case of Securities where "30E/360 (ISDA)" in accordance with ISDA 2006 (German interest calculation method) is applicable, the following applies:

the number of days in the Interest Period divided by 360, calculated using the following formula:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y₁" is the year, expressed as a number, into which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, into which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, into which the day immediately following the last day of the Interest Period falls;

"D₁" 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 D₁ is equal to 30; and

"D₂" 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 D₂ is equal to 30.]

[In the case of Securities where "Act/360" is applicable, the following applies:

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

[In the case of Securities where "Act/365" (Fixed) is applicable, the following applies:

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

[In the case of Securities where "Act/Act (ISDA)" is applicable, the following applies:

the actual number of days in the Interest Period divided by 365 (or, if a portion of that Interest Period falls into a leap year, the total of (A) the actual number of days in the Interest Period that fall into the leap year divided by 366, and (B) the actual number of days in the Interest Period that do not fall into the leap year divided by 365).]

[In the case of Securities where "Act/Act (ICMA)" is applicable, the following applies:

for the purposes of determining an Interest Amount in respect of an accrual period is

[[i] if the accrual period is equal to or shorter than the Interest Period during which it falls,] the number of days in the accrual period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]

[[ii] if the accrual period is longer than the Interest Period:] the sum of

(A) the number of days in such accrual period falling in the Interest Period in which the accrual period begins, divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in one year], and

(B) the number of days in such accrual period falling in the next Interest Period divided by [the product of (1)] the number of days in such Interest Period [and (2) the number of Interest Periods normally ending in any year].]

[[5]] [(6)] Notice: The Calculation Agent shall carry out all determinations and calculations provided for in this § 2 and shall notify the Issuer without undue delay. The Issuer in turn shall communicate these determinations and calculations for the respective Interest Period to the Security Holders and to exchanges on which the Securities are listed and whose regulations require the exchange to be notified, in accordance with § 6 of the General Conditions of the Securities.]

§ 3

Redemption

[In the case of Securities with cash settlement, the following applies:

Redemption: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

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

[In the case of non-Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

Redemption: The Securities shall be redeemed upon automatic exercise either

(i) if R (final) is equal to or greater than the Strike, by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or

(ii) if R (final) is less than the Strike, by the delivery of a quantity of Underlyings for each Security expressed by the Ratio. If the Ratio results in a fraction of the Underlying, a cash amount expressed in the Specified Currency equal to the value of the fraction of the Underlying (the "**Supplemental Cash Amount**") shall be paid, calculated on the basis of the Reference Price on the Observation Date (final) multiplied by the fraction of the Underlying.

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

[In the case of Quanto Securities²⁴ which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

Redemption: The Securities shall be redeemed upon automatic exercise either

- (i) if R (final) is equal to or greater than the Strike, by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if R (final) is less than the Strike, by the delivery of a quantity of Underlyings for each Security expressed by the Ratio multiplied by the FX (final). If the Ratio multiplied by the FX (final) results in a fraction of the Underlying, a cash amount expressed in the Specified Currency equal to the value of the fraction of the Underlying (the "**Supplemental Cash Amount**") shall be paid, calculated on the basis of the Reference Price on the Final Observation Date multiplied by the fraction of the Underlying and divided by the FX (final).

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

[In the case of Quanto Securities²⁵ which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

Redemption: The Securities shall be redeemed upon automatic exercise either

- (i) if R (final) is equal to or greater than the Strike, by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions, or
- (ii) if R (final) is less than the Strike, by the delivery of a quantity of Underlyings for each Security expressed by the Ratio divided by the FX (final). If the Ratio divided by the FX (final) results in a fraction of the Underlying, a cash amount expressed in the Specified Currency equal to the value of the fraction of the Underlying (the "**Supplemental Cash Amount**") shall be paid, calculated on the basis of the Reference Price on the Final Observation Date multiplied by the fraction of the Underlying and the FX (final).

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

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals an amount in the Specified Currency, which is calculated or, respectively, specified by the Calculation Agent as follows:

[In the case of all non-Quanto and Quanto Securities with cash settlement, the following applies:

- If R (final) is equal to or greater than the Strike, then the Redemption Amount is equal to the Nominal Amount.
- If R (final) is less than the Strike, then the Redemption Amount is determined using the following formula:

$$\text{Redemption Amount} = \text{Nominal Amount} \times \text{R (final)} / \text{Strike}]$$

[In the case of non-Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

The Redemption Amount is equal to the Nominal Amount.]

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

²⁴ If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

²⁵ If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

The Redemption Amount is equal to the Nominal Amount.]

§ 5

Issuer's Extraordinary Call Right

Issuer's extraordinary call right: Upon the occurrence of a Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and redeem the Securities at their Settlement Amount. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be.

The "**Settlement Amount**" shall be the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] within ten Banking Days before the extraordinary call becomes effective.

The Settlement Amount will be paid five Banking Days following the date of the above mentioned notice or on the date specified in such notice, as the case may be, pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments[, Delivery]

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.

[In the case of Securities with cash settlement, the following applies:

- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).]

[In the case of Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

- (4) *Interest of default:* If the Issuer fails to make any payment or delivery of the Underlying under the Securities when due, accrual of interest on due amounts or the value on the Final Observation Date of the Underlying to be delivered continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment or delivery (inclusive) and ends on the effective date of payment or delivery (inclusive).

- (5) *Delivery*: The delivery of the Underlying and the payment of any Supplemental Cash Amount shall be made within five Banking Days after the Maturity Date (the "**Delivery Period**") to the Clearing System for credit to the accounts of the respective Custodian Banks of the Security Holders. All costs, including custodian fees, stock exchange turnover tax, stamp duties, transaction fees, other taxes or charges incurred (collectively the "**Delivery Costs**") arising as a result of the delivery of the Underlying shall be borne by the respective Security Holder. The Underlying will be delivered in accordance with these Terms and Conditions at the Security Holder's own risk. If the Maturity Date for a delivery or payment is not a Banking Day, that delivery or payment shall be made on the next following Banking Day. Any such delay shall not give rise to a claim for interest or other payments. The Issuer is not obliged to pass on to the Security Holders notices or other documents of the issuer of the Underlying received by it prior to delivery of the Underlying, including if those notices or other documents relate to events occurring only after delivery of the Underlying. During the Delivery Period the Issuer is not obliged to exercise any rights of whatever nature arising from the Underlying. Claims arising from the Underlying that exist prior to or on the Maturity Date shall be due to the Issuer.
- (6) *Settlement Disruption Event*: If, in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, the Issuer is unable to deliver the Underlying in accordance with these Terms and Conditions as the result of an event beyond the Issuer's control (a "**Settlement Disruption Event**"), and if that Settlement Disruption Event has occurred prior to delivery of the Underlying and continues to exist on the Maturity Date, then the first day of the Delivery Period shall be postponed to the next Banking Day on which a Settlement Disruption Event no longer exists. The Security Holders shall be given notice of this in accordance with § 6 of the General Conditions. The Security Holders shall have no claim to the payment of interest or other amounts in the event that a delay occurs in the delivery of the Underlying in accordance with this paragraph. There shall be no liability on the part of the Issuer in this respect. In the case of a Settlement Disruption Event the Securities may be repurchased at the Present Value of the Redemption Price in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer and of the Calculation Agent. The "**Present Value of the Redemption Price**" is an amount determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] on the basis of the NAV on the Final Observation Date, if subscriptions and redemptions are possible at that NAV, or otherwise an amount that the Calculation Agent determines in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

[In the case of Securities with an averaging observation, the following applies:

- (1) *Postponement*: Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such a postponement, several Observation Dates fall on the same day, then each of those Observation Dates shall be deemed to be an Observation Date for averaging purposes.]

- [(1) *Postponement*: Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no

longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

If an FX Market Disruption Event occurs on an FX Observation Date, the respective FX Observation Date will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date or FX Observation Date, as the case may be, shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective Reference Price required for the calculations or, respectively, specifications described in these Terms and Conditions. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

[Should the FX Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective FX. The FX required for the calculations or, respectively, specifications described in these Terms and Conditions shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.]]

§ 8

Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] adjust these Terms and Conditions (in particular the Underlying, the Ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- [(2) *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made as well as the time of their initial application will be published in accordance with § 6 of

the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

[(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle:

[(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[(3)] [(4)] If the Underlying is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[In the case of Quanto Securities which provide for the physical delivery of the Underlying in certain circumstances, the following applies:

§ 9

New FX Fixing Sponsor, Replacement Exchange Rate

- (1) *New FX Fixing Sponsor:* In the event that the FX Exchange rate is no longer determined and published by the FX Fixing Sponsor, calculations or, respectively, specifications of the Calculation Agent described in these Terms and Conditions shall occur on the basis of the determinations and publications by another person, company or institution which shall be specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] (the "**New FX Fixing Sponsor**"). In this case each and every reference to the FX Fixing Sponsor in these Terms and Conditions, depending on the context, shall be deemed to refer to the New FX Fixing Sponsor. The New FX Fixing Sponsor and the time of its initial application shall be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Exchange Rate:* In the event that the FX Exchange Rate is no longer determined and published, the calculations or, respectively, specifications of the Calculation Agent described in these Terms and Conditions shall occur on the basis of an exchange rate determined and published by another method, which will be specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] (the "**Replacement Exchange Rate**"). In case of a Replacement Exchange Rate

each and every reference to the FX Exchange Rate, depending on the context, shall be deemed to refer to the Replacement Exchange Rate. The Replacement Exchange Rate and the time of its initial application shall be published in accordance with § 6 of the General Conditions.]]

Option 4: Sprint Securities

[Option 4: In the case of Sprint Securities and Sprint Cap Securities, the following applies:]

§ 1

Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event:]

"**Additional Adjustment Events**" means:

the historic volatility of the Underlying exceeds a volatility level of [Insert]%. The historic volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the NAV over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\left[\sum_{p=1}^P \left[\ln \left[\frac{NAV(t-p)}{NAV(t-p-1)} \right] \right] - \frac{1}{P} \times \left(\sum_{q=1}^P \ln \left[\frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"**t**" is the relevant Calculation Date;

"**P**" is [Insert number of days];

"**NAV (t-k)**" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"**ln [x]**" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the NAV for the most recent [Insert number of days] Calculation Dates and standardized to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates in each case. The volatility determined using this method may not exceed a volatility level of [Insert]%.]

"**Adjustment Event**" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares;
- (b) requests for the issue, redemption or transfer of Fund Shares are executed only partially or not at all;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or a provider of fund services appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;

- (e) a change in the legal form of the Fund;
- (f) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund or the Management Company;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares outstanding;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for reasons beyond the control of the Issuer and not relating to the Securities, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares or (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares or (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;

- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG in the future;
- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency.

[In the case of Securities where the volatility is an Additional Adjustment Event:

- (aa) the occurrence of an Additional Adjustment Event.]

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

"Administrator" means the Administrator if specified [in the "Administrator" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"Aggregate Nominal Amount" means the Aggregate Nominal Amount of the series as specified [in the "Aggregate Nominal Amount of the Series" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Auditor**" means the Auditor if specified [in the "Auditor" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Best-in observation, the following applies:]

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out observation, the following applies:]

"**Best-out Period**" means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

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

"**Calculation Date**" means each day on which the Reference Price is normally published by the Fund or the Management Company.

[In the case of Quanto Securities and in the case of non-Quanto Securities, the following applies:]

"**Call Event**" means each Fund Call Event.]

[In the case of Compo Securities, the following applies:]

"**Call Event**" means Fund Call Event or FX Call Event.]

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

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Issuer

- (a) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Sprint Cap Compo Securities where the Maximum Amount has yet to be specified, the following applies:

"**Cap Level**" means the Cap Level as specified [in the "Cap Level" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System(s)].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

"**Custodian Bank**" means the Custodian Bank if specified [in the "Custodian Bank" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of Securities with final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

[In the case of Securities with a Best-out observation, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out observation, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Compo Securities, the following applies:

"**FX Fixing Sponsor**" means the FX Fixing Sponsor as specified in § 1 of the Product and Underlying Data.

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

"FX Calculation Date" means each day on which the FX is published by the FX Fixing Sponsor.

"FX Call Event" means each of the following events:

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

[If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency, the following applies:]

"FX Exchange Rate" means the exchange rate for the conversion of the Specified Currency into the Underlying Currency.]

[If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency, the following applies:]

"FX Exchange Rate" means the exchange rate for the conversion of the Underlying Currency into the Specified Currency.]

"FX (initial)" means the FX on the FX Observation Date (initial).

"FX (final)" means the FX on the FX Observation Date (final).

"FX Market Disruption Event" means each of the following events:

- (a) the failure to publish the FX by the FX Fixing Sponsor;
- (b) the suspension or restriction in foreign exchange trading for at least one of the two currencies quoted as a part of the FX (including options or futures contracts) or the restriction of the convertibility of the currencies quoted in such exchange rate or the effective impossibility of obtaining a quotation for such exchange rate;
- (c) any other events with financial effects which are similar to the events listed above;

to the extent that the above-mentioned events in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent are material.

[In the case of Securities with an initial reference price feature, the following applies:]

"FX Observation Date (initial)" means the FX Calculation Date immediately prior to the Initial Observation Date.]

[In the case of Securities with an initial average feature, the following applies:]

"FX Observation Date (initial)" means the FX Calculation Date immediately prior to the first Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:]

"FX Observation Date (final)" means the FX Calculation Date immediately following the Final Observation Date.]

[In the case of Securities with a final average feature, the following applies:]

"FX Observation Date (final)" means the FX Calculation Date immediately following the last Final Observation Date.]

"FX Screen Page" means the FX Screen Page as specified in § 1 of the Product and Underlying Data.]

"Fund" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the Fund in whose assets the Fund Share represents a proportional interest.

"Fund Call Event" means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders [**"Fund Replacement Event"**];
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company is available;
- (c) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

"Fund Documents" means, in relation to the Fund, in each case, if available and in the respective valid version: the annual report, the half-yearly report, [the interim reports,] the sales prospectus, the terms and conditions of the Fund, as well as if applicable, the articles of association,] the key investor information document and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

"Fund Management" means the persons responsible for the portfolio and/or risk management of the Fund.

"Fund Services Provider" means, if applicable, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor.

"Fund Share" means a unit or share of the Fund and the class set out [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"Hedging Disruption" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

"Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"Investment Adviser" means the Investment Adviser if specified [in the "Investment Adviser" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Investment Adviser" column] as the Investment Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

"Issue Date" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:]

"Issuing Agent" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with 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 the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-in observation, the following applies:]

"Last Day of the Worst-in Period" means the Last Day of the Worst-in Period specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Management Company" means the Management Company if specified [in the "Management Company" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund specifies another person, company or institution as so specified in the "Management Company" column as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"Market Disruption Event" means each of the following events:

- (a) the failure to calculate or the non-publication of the calculation of the NAV as a result of a decision by the Management Company or by the Fund Services Provider on behalf of the Management Company,
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund, the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of Fund Shares for a specified period or to restrict the redemption or issue of Fund Shares to a specified portion of the Fund volume or to levy additional fees, or
- (d) the Fund or the Management Company redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.

"Maturity Date" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Sprint Quanto and non-Quanto Cap Securities, the following applies:]

"Maximum Amount" means Nominal Amount x Cap Level.]

[In the case of Sprint Cap Compo Securities²⁶, the following applies:]

"Maximum Amount" means Nominal Amount x Cap Level x FX (initial) / FX (final)]

[In the case of Sprint Cap Compo Securities²⁷, the following applies:]

²⁶ If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency.

"**Maximum Amount**" means Nominal Amount x Cap Level x FX (final) / FX (initial)]

"**NAV**" means the official net asset value (the "**Net Asset Value**") for a Fund Share as published by the Fund or Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

[In the case of Securities with a final reference price observation, the following applies:

"**Final Observation Date**" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

[In the case of Securities with a final average observation, the following applies:

"**Final Observation Date**" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If a Final Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Final Observation Date. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such a postponement.]

"**Participation Factor**" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

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

"**Portfolio Manager**" means the Portfolio Manager [if specified [in the "Portfolio Manager" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"**Principal Paying Agent**" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

²⁷ If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency.

"**R (initial)**" means R (initial) as specified [in the "R (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:]

"**R (initial)**" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:]

"**R (initial)**" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in observation, the following applies:]

"**R (initial)**" means the highest Reference Price during the Best-in Period.]

[In the case of Securities with a Worst-in observation, the following applies:]

"**R (initial)**" means the lowest Reference Price during the Worst-in Period.]

[In the case of Securities with a final reference price observation, the following applies:]

"**R (final)**" means the Reference Price on the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:]

"**R (final)**" means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]

[In the case of Securities with a Best-out observation, the following applies:]

"**R (final)**" means the highest Reference Price during the Best-out Period.]

[In the case of Securities with a Worst-out observation, the following applies:]

"**R (final)**" means the lowest Reference Price during the Worst-out Period.]

"**Redemption Amount**" means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Price**" means the Reference Price of the Underlying as specified [in the "Reference Price" column in Table [●]] in § 1 of the Product and Underlying Data.

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

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:]

"**Settlement Cycle**" means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

[In the case of Securities where the Strike has already been specified, the following applies:]

"**Strike**" means the Strike as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities where the Strike has yet to be specified, the following applies:]

"**Strike**" means Strike Level x R (initial).]

"**Strike Level**" means the Strike Level as specified [in the "Strike Level" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a Fund Share as specified [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the "Underlying Currency" column in Table 2.1] in § 2 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in observation, the following applies:]

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out observation, the following applies:]

"**Worst-out Period**" means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

§ 2

Interest

The Securities do not bear interest.

§ 3

Redemption

Redemption: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

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

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Sprint non-Quanto Securities and Sprint Quanto Securities, the following applies:]

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)).

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying.]

[In the case of Sprint Compo Securities²⁸, the following applies:]

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

²⁸ If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency.

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) x FX (initial) / FX (final).

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying x FX (initial) / FX (final).]

[In the case of Sprint Compo Securities²⁹, the following applies:

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) x FX (final) / FX (initial).

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying x FX (final) / FX (initial).]

[In the case of Sprint Cap non-Quanto and Sprint Cap Quanto Securities, the following applies:

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)).

However, the Redemption Amount is not more than the Maximum Amount.

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying.]

[In the case of Sprint Cap Compo Securities³⁰, the following applies:

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) x FX (initial) / FX (final).

However, the Redemption Amount is not more than the Maximum Amount.

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying x FX (initial) / FX (final).]

[In the case of Sprint Cap Compo Securities³¹, the following applies:

- If R (final) is greater than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x (Strike Level + Participation Factor x (Performance of the Underlying – Strike Level)) x FX (final) / FX (initial).

²⁹ If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency.

³⁰ If the base currency of the FX Exchange Rate displayed on the Screen Page is the same as the Specified Currency

³¹ If the base currency of the FX Exchange Rate displayed on the Screen Page is not the same as the Specified Currency

However, the Redemption Amount is not more than the Maximum Amount.

- If R (final) is equal to or less than the Strike, then the Redemption Amount is determined using the following formula:

Redemption Amount = Nominal Amount x Performance of the Underlying x FX (final) / FX (initial)]

§ 5

Issuer's Extraordinary Call Right

Issuer's extraordinary call right: Upon the occurrence of a Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and redeem the Securities at their Settlement Amount. Such call shall become effective at the time of the notice pursuant to § 6 of the General Conditions or at the time indicated in the notice, as the case may be.

The "**Settlement Amount**" shall be the fair market value of the Securities determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] within ten Banking Days before the extraordinary call becomes effective.

The Settlement Amount will be paid five Banking Days following the date of the above mentioned notice or on the date specified in such notice, as the case may be, pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

[In the case of Securities with an averaging observation, the following applies:

- (1) Postponement: Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such a postponement, several Observation Dates fall on the same day, then each of those Observation Dates shall be deemed to be an Observation Date for averaging purposes.]
- [(1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Compo Securities, the following applies:

If a FX Market Disruption Event occurs on an FX Observation Date, the respective FX Observation Date will be postponed to the next following FX Calculation Date on which the FX Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date or FX Observation Date, as the case may be, shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than *[Insert number of Banking Days]* consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at *[Insert time and financial centre]* on this *[Insert number of the following Banking Day]* Banking Day, taking into account the financial position of the Security Holders.]

[Should the FX Market Disruption Event continue for more than *[Insert number of Banking Days]* consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* the respective FX. The FX required for the calculation or specification of the Redemption Amount shall be determined in accordance with prevailing market conditions at *[Insert time and financial centre]* on this *[Insert number of the following Banking Day]* Banking Day, taking into account the financial position of the Security Holders.]]

§ 8

Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion *[In the case of Securities governed by German law, insert: (§ 315 BGB)]* adjust these Terms and Conditions (in particular the Underlying, the Ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the

course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.

- [(2)] *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made as well as the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

- [(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle:

- [(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

- [(4)] If the Underlying is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

[In the case of Compo Securities, the following applies:

§ 9

New FX Fixing Sponsor, Replacement Exchange Rate

- (1) *New FX Fixing Sponsor:* In the event that the FX Exchange Rate is no longer determined and published by the FX Fixing Sponsor, calculations or specifications of the Calculation Agent described in these Terms and Conditions shall occur on the basis of the determinations and publications by another person, company or institution which shall be specified by the Calcula-

lation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] (the "**New FX Fixing Sponsor**"). In this case each and every reference to the FX Fixing Sponsor in these Terms and Conditions, depending on the context, shall be deemed to refer to the New FX Fixing Sponsor. The New FX Fixing Sponsor and the time of its initial application shall be published in accordance with § 6 of the General Conditions.

- (2) *Replacement Exchange Rate:* In the event that the FX Exchange Rate is no longer determined and published, the calculations or specifications of the Calculation Agent described in these Terms and Conditions shall occur on the basis of an exchange rate determined and published by another method, which will be specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] (the "**Replacement Exchange Rate**"). In case of a Replacement Exchange Rate each and every reference to the FX Exchange Rate, depending on the context, shall be deemed to refer to the Replacement Exchange Rate. The Replacement Exchange Rate and the time of its initial application shall be published in accordance with § 6 of the General Conditions.]]

Option 5: Garant Basket Securities

[Option 5: In the case of Garant Basket Securities and Garant Cap Basket Securities, the following applies:

§ 1

Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event:

"Additional Adjustment Events" means:

the historic volatility of the Basket Component_i exceeds a volatility level of [Insert volatility level]%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of NAV_i over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma_i(t) = \sqrt{\frac{\sum_{p=1}^P \left[\ln \left[\frac{NAV_i(t-p)}{NAV_i(t-p-1)} \right] - \frac{1}{P} \times \left(\sum_{q=1}^P \ln \left[\frac{NAV_i(t-q)}{NAV_i(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV_i(t-k)" (where k = p, q) is NAV_i of the Basket Component_i on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of NAV_i for the most recent [Insert number of days] Calculation Dates and standardized to produce an annual volatility level. The return is defined as the logarithm of the change in NAV_i between two consecutive Calculation Dates in each case. The respective volatility determined using this method may not exceed a volatility level of [Insert]%.]

"Adjustment Event" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents_i without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund_i, (ii) the investment objectives or investment strategy or investment restrictions of the Fund_i, (iii) the currency of the Fund Shares_i, (iv) the method of calculating the NAV_i or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares_i;
- (b) requests for the issue, redemption or transfer of Fund Shares_i 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_i (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund_i or the Management Company_i or Fund Services Provider_i appointed for this purpose by the Fund_i or the Management Company_i fails to publish NAV_i as scheduled or in accordance with normal practice or as specified in Fund Documents_i;
- (e) a change in the legal form of the Fund_i;

- (f) a change of significant individuals in key positions at the Management Company_i or in the Fund Management_i;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund_i or the Management Company_i; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund_i or the Management Company_i; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund_i 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_i, the Management Company_i or a Fund Services Provider_i, or of individuals in key positions at the Management Company_i or in the Fund Management_i as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the Fund_i or the Management Company_i of the investment objectives, the investment strategy or the investment restrictions of the Fund_i (as defined in the Fund Documents_i) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund_i or the Management Company_i;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares_i, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares_i outstanding;
- (l) the Issuer is required to consolidate the Fund_i as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares_i 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_i or of the redemption of existing Fund Shares_i or (ii) the reduction of the number of Fund Shares_i of a shareholder in the Fund_i for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of the Fund Shares_i or (iv) payments in respect of a redemption of Fund Shares_i being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (o) the Management Company_i or a Fund Services Provider_i discontinues its services for the Fund_i or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund_i or the Fund Shares_i, (ii) the ini-

- tiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund_i or the merger of the Fund_i into or with another fund, (iii) a requirement to transfer all the Fund Shares_i to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares_i 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_i as a Basket Component for the Securities;
 - (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
 - (t) no notification is given of the bases of taxation for the Fund_i in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund_i or the Management Company_i 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_i which could have a substantial negative effect on the amount of the Fund_i's distributions as well as distributions which diverge significantly from the Fund_i's normal distribution policy to date;
 - (v) the Fund_i or the Management Company_i or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund_i in a significant respect or terminates that agreement;
 - (w) the Fund_i or the Management Company_i, 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_i's investment guidelines or restrictions in a timely manner;
 - (x) the Fund_i or the Management Company_i fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
 - (y) any other event that could have a noticeable adverse effect on NAV_i or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
 - (z) NAV_i is no longer published in the Underlying Currency,

[In the case of Securities where the volatility is an Additional Adjustment Event:

- (aa) the occurrence of an Additional Adjustment Event].

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

"Administrator_i" means the Administrator_i [if specified [in the "Administrator_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution as Administrator of the Fund_i [as so specified in the "Administrator_i" column], each and every reference to Administrator_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"Aggregate Nominal Amount" means the Aggregate Nominal Amount of the series as specified [in the "Aggregate Nominal Amount of the Series" column in Table [●]] in § 1 of the Product and Underlying Data.

"Auditor_i" means the Auditor_i [if specified [in the "Auditor_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund]. If the

Fund_i or the Management Company_i specifies another person, company or institution as the Auditor of the Fund_i, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

"**Basket Component_i**" means the respective Fund Share as specified [in the "Basket Component_i" column in Table [●]] in § 1 of the Product and Underlying Data (and collectively the "**Basket Components**").

[In the case of Securities with a Best-in feature, the following applies:]

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out feature, the following applies:]

"**Best-out Period**" means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

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

"**Calculation Date**" means each day on which the Reference Price_i is normally published by the respective Fund_i or of the respective Management Company_i.

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

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Issuer

- (a) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities with CBF as Clearing System, the following applies:]

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:]

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [Insert other Clearing System(s)].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

"**Currency of the Basket Component_i**" means the Currency of the Basket Component_i as specified [in the "Currency of the Basket Component_i" column in Table 2.1] in § 2 of the Product and Underlying Data.

"**Conversion Event**" means Fund Conversion Event.

"**Custodian Bank_i**" means the Custodian Bank_i [if specified [in the "Custodian Bank_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund_i, each and every reference to the Custodian Bank_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of Securities with a final reference price feature, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with a final average feature, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Best-out feature, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out feature, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

"**Floor Level**" means the Floor Level as specified [in the "Floor Level" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Fund_i**" means, in relation to a Fund Share_i, the investment fund issuing that Fund Share_i or the Fund in whose assets the Fund Share_i represents a proportional interest.

"**Fund Conversion Event**" means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (respectively a "**Fund Replacement Event**");
- (b) in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent no Replacement Basket Component is available;]

[(b)] [(c)] in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company_i is available;

[(c)] [(d)] a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

"**Fund Documents_i**" means, in relation to a Fund_i, 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_i, as well as, if applicable, the articles of association, the key investor information document and all other documents of the Fund_i in which the terms and conditions of the Fund_i and of the Fund Shares_i are specified.

"**Fund Management_i**" means the persons responsible for the portfolio and/or the risk management of the Fund_i.

"**Fund Services Provider_i**" means, if available, the Administrator_i, the Investment Adviser_i, the Custodian Bank_i, the Management Company_i, the Portfolio Manager_i and the Auditor_i.

"**Fund Share_i**" means a unit or share of the Fund and of the class set out [in the "Basket Component_i" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

"**Increased Costs of Hedging**" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"**Investment Adviser_i**" means the Investment Adviser_i [if specified [in the "Investment Adviser_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution [as so specified in the "Investment Adviser_i" column] as the Investment Adviser_i of the Fund_i, each and every reference to the Investment Adviser_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

"**Issue Date**" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:]

"**Issuing Agent**" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where K_i (initial) has already been specified, the following applies:]

"**K_i (initial)**" means K_i (initial) as specified [in the "K_i (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price feature, the following applies:]

"**K_i (initial)**" means the Reference Price_i of the Basket Component_i on the Initial Observation Date.]

[In the case of Securities with an initial average feature, the following applies:]

"**K_i (initial)**" means the equally weighted average of the Reference Prices_i of the Basket Component_i determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in feature, the following applies:]

"**K_i (initial)**" means the highest Reference Price_i of the Basket Component_i during the Best-in Period.]

[In the case of Securities with a Worst-in feature, the following applies:]

"**K_i (initial)**" means the lowest Reference Price_i of the Basket Component_i during the Worst-in Period.]

[In the case of Securities with a final reference price feature, the following applies:]

"**K_i (final)**" means the Reference Price_i of the Basket Component_i on the Final Observation Date.]

[In the case of Securities with a final average feature, the following applies:]

"**K_i (final)**" means the equally weighted average of the Reference Prices_i of the Basket Component_i determined on the Final Observation Dates.]

[In the case of Securities with a Best-out feature, the following applies:]

"**K_i (final)**" means the highest Reference Price_i of the Basket Component_i during the Best-out Period.]

[In the case of Securities with a Worst-out feature, the following applies:]

"**K_i (final)**" means the lowest Reference Price_i of the Basket Component_i during the Worst-out Period.]

[In the case of Securities with a Best-in feature, the following applies:]

"**Last Day of the Best-in Period**" means the Last Day of the Best-in Period specified [in the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-in feature, the following applies:]

"**Last Day of the Worst-in Period**" means the Last Day of the Worst-in Period specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Management Company_i**" means the Management Company_i [if specified [in the "Management Company_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund]. If the Fund specifies another person, company or institution as so specified in the "Management Company" column as the Management Company_i of the Fund_i each and every reference to the Management Company_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"**Market Disruption Event**" means each of the following events:

- (a) the failure to calculate or the non-publication of the calculation of the NAV as a result of a decision by the Management Company or by the Fund Services Provider on behalf of the Management Company,
- (b) the closure, conversion or insolvency of the Fund_i or other circumstances which make it impossible to determine the NAV_i, or

- (c) it is not possible to trade Fund Shares_i at the NAV_i. This also covers cases in which the Fund_i or the Management Company_i or the Fund Services Provider on their behalf decides to suspend the redemption or issue of the Fund Shares_i for a specified period or to restrict the redemption or issue of the Fund Shares_i to a specified portion of the volume of the Fund_i or to levy additional fees, or
- (d) the Fund_i or the Management Company_i redeems the Fund Shares_i in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund_i are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent.

"**Maturity Date**" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Garant Cap Rainbow Securities, the following applies:

"**Maximum Amount**" means the Maximum Amount as specified [in the "Maximum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Minimum Amount**" means the Minimum Amount as specified [in the "Minimum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"**N**" means the number of the Basket Components as specified in § 1 of the Product and Underlying Data.

"**NAV_i**" means the official net asset value (the "**Net Asset Value**") for a Fund Share_i as published by the Fund_i or the Management Company_i or by a third person on their behalf and at which it is actually possible to redeem the Fund Shares_i.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price feature with postponement of the Observation Date of all Basket Components, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial reference price feature with postponement of the Observation Date of the respective Basket Components, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the Initial Observation Date for the corresponding Basket Component_i.]

[In the case of Securities with an initial average feature and postponement of the Observation Date of all Basket Components, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Da-

ta. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corresponding Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial average feature and postponement of the Observation Date of the respective Basket Components, the following applies:

"Initial Observation Date" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the corresponding Initial Observation Date for the corresponding Basket Component_i.]

[In the case of Securities with a final reference price feature with postponement of the Observation Date of all Basket Components, the following applies:

"Final Observation Date" means the Final Observation Date as [specified in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Final Observation Date for all Basket Components. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final reference price feature with postponement of the Observation Date of the respective Basket Components, the following applies:

"Final Observation Date" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the Final Observation Date for the corresponding Basket Component_i. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final average feature with postponement of the Observation Date of all Basket Components, the following applies:

"Final Observation Date" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corresponding Final Observation Date for all Basket Components. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average feature with postponement of the Observation Date of the respective Basket Components, the following applies:

"Final Observation Date" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the corresponding Final Observation Date for the corresponding Basket Component_i. If the last Final Observation Date for a Basket Component is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

"Participation Factor" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

"Performance of the Basket Component_i (Performance_i)" means the Performance of the Basket Component_i, determined from the quotient of K_i (final), as the numerator, and K_i (initial), as the denominator.

"Performance of the Underlying" means the Performance of the Underlying in accordance with the following formula:

Performance of the Underlying = $\frac{\sum_{i=1}^N \text{Performance}_i \times W_i}{\sum_{i=1}^N W_i}$

"Principal Paying Agent" means the Principal Paying Agent as specified in § 1 of the Product and Underlying Data.

"Portfolio Manager_i" means the Portfolio Manager_i [if specified [in the "Portfolio Manager_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution as so specified in the "Portfolio Manager_i" column as the Portfolio Manager_i of the Fund_i, each and every reference to the Portfolio Manager_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"Redemption Amount" means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"Reference Price_i" means the Reference Price_i as specified [in the "Reference Price_i" column in Table [●]] in § 1 of the Product and Underlying Data.

"Security Holder" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"Settlement Cycle" means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

"Specified Currency" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"Strike" means the Strike as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data.

"Terms and Conditions" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"Underlying" means a basket consisting of the Basket Components.

"Website[s] of the Issuer" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"Website[s] for Notices" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

"Weighting_i (W_i)" means the Weighting allocated to the Basket Component_i as specified [in the "Weighting_i" column (where i = 1, ..., N) in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in feature, the following applies:

"Worst-in Period" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out feature, the following applies:

"Worst-out Period" means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

§ 2

Interest

The Securities do not bear interest.

§ 3

Redemption

Redemption: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

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

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Garant Basket Securities with a Nominal Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Cap Basket Securities with a Nominal Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor x (Performance of the Underlying – Strike)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

§ 5

Issuer's Conversion Right

Issuer's conversion right: If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:]

- (7) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

[In the case of Securities with postponement of the Observation Date of all Basket Components, the following applies:]

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed for all Basket Components to the next following Calculation Date, which is a Calculation Date for all Basket Components and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Securities with postponement of the Observation Date of the respective Basket Components, the following applies:]

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed for the respective Basket Component_i to the next following Calculation Date, which is a Calculation Date for the Basket Component and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective Reference Price_i required for the calculations or specifications described in the Terms and Conditions. Such Reference Price_i shall be determined in accordance with prevailing market conditions at [*Insert time and financial centre*] on this [*Insert number of the following Banking Day*] Banking Day, taking into account the financial position of the Security Holders.]

§ 8

Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular the respective Basket Component_i, the Ratio and/or all prices of the Basket Component_i specified by the Issuer) and/or all prices of the respective Basket Component_i determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the respective Basket Component_i. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- [(2) *Replacement Basket Component:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the respective Basket Component_i (the "**Replacement Basket Component**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Basket Component_i, the ratio and/or all prices of the respective Basket Component_i specified by the Issuer) and/or all prices of the Basket Component_i determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Basket Component and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Basket Component, any reference to the Basket Component_i in these Terms and Conditions shall be deemed to refer to the Replacement Basket Component, unless the context provides otherwise.]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- [(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component_i, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

[(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component_i, then the relevant value will not be specified again.]

[(4)] If the Basket Component_i is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

Option 6: Garant Rainbow Securities

[Option 6: In the case of Garant Rainbow Securities and Garant Cap Rainbow Securities, the following applies:

§ 1

Definitions

[In the case of Securities where the volatility is an Additional Adjustment Event:

"Additional Adjustment Events" means:

the historic volatility of the Basket Component_i exceeds a volatility level of [Insert volatility level]%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of NAV_i over the immediately preceding [Insert number of days] Calculation Dates in each case using the following formula:

$$\sigma_i(t) = \sqrt{\frac{\left[\sum_{p=1}^P \ln \left[\frac{NAV_i(t-p)}{NAV_i(t-p-1)} \right] - \frac{1}{P} \times \left(\sum_{q=1}^P \ln \left[\frac{NAV_i(t-q)}{NAV_i(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"t" is the relevant Calculation Date;

"P" is [Insert number of days];

"NAV_i(t-k)" (where k = p, q) is NAV_i of Basket Component_i on the k-th Calculation Date preceding the relevant Calculation Date (t);

"ln [x]" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of NAV_i for the most recent [Insert number of days] Calculation Dates and standardized to produce an annual volatility level. The return is defined as the logarithm of the change in NAV_i between two consecutive Calculation Dates in each case. The respective volatility determined using this method may not exceed a volatility level of [Insert]%.]

"Adjustment Event" means in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents_i without the consent of the Calculation Agent which in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund_i, (ii) the investment objectives or investment strategy or investment restrictions of the Fund_i, (iii) the currency of the Fund Shares_i, (iv) the method of calculating the NAV_i or (v) the timetable for the subscription, issue, redemption or transfer of the Fund Shares_i;
- (b) requests for the issue, redemption or transfer of Fund Shares_i 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_i (other than fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund_i or the Management Company_i or the Fund Services Provider_i appointed for this purpose by the Fund_i or the Management Company_i fails to publish the NAV_i as scheduled or in accordance with normal practice or as specified in Fund Documents_i;

- (e) a change in the legal form of the Fund_i;
- (f) a change of significant individuals in key positions at the Management Company_i or in the Fund Management of the Fund_i;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund_i or the Management Company_i; or (ii) the suspension, cancellation, revocation or absence of the accreditation or registration of the Fund_i or the Management Company_i; or (iii) the suspension, cancellation, revocation or absence of an authorisation of the Fund_i 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_i, the Management Company_i or a Fund Services Provider_i, or of individuals in key positions at the Management Company_i or in the Fund Management_i as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach by the Fund_i or the Management Company_i of the investment objectives, the investment strategy or the investment restrictions of the Fund_i (as defined in Fund Documents_i) that is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent, or a breach of statutory or regulatory requirements by the Fund_i or the Management Company_i;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares_i, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that is significant in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the Fund Shares_i outstanding;
- (l) the Issuer is required to consolidate the Fund_i as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares_i 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_i or of the redemption of existing Fund Shares_i or (ii) the reduction of the number of Fund Shares_i of a shareholder in the Fund_i for reasons outside the control of that shareholder or (iii) the subdivision, consolidation or reclassification of Fund Shares_i or (iv) payments in respect of a redemption of the Fund Shares_i being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets;
- (o) the Management Company_i or a Fund Services Provider_i discontinues its services for the Fund_i or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;

- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund_i or the Fund Shares_i, (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_i or the merger of the Fund_i into or with another fund, (iii) a requirement to transfer all the Fund Shares_i to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares_i by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company_i;
- (r) the Issuer loses the right to use the Fund_i as a Basket Component for the Securities;
- (s) a change in the tax laws and regulations or a change in case law or the administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund_i in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Fund_i or the Management Company_i 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_i which could have a substantial negative effect on the amount of the Fund_i's distributions as well as distributions which diverge significantly from the Fund_i's normal distribution policy to date;
- (v) the Fund_i or the Management Company_i or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund_i in a significant respect or terminates that agreement;
- (w) the Fund_i or the Management Company_i, 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_i's investment guidelines or restrictions in a timely manner;
- (x) the Fund or the Management Company_i fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on NAV_i or the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) NAV_i is no longer published in the Underlying Currency,

[In the case of Securities where the volatility is an Additional Adjustment Event:

- (aa) the occurrence of an Additional Adjustment Event].

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

"Administrator_i" means the Administrator_i [if specified [in the "Administrator_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution as Administrator of the Fund_i [as so specified in the "Administrator_i" column], each and every reference to Administrator_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"Aggregate Nominal Amount" means the Aggregate Nominal Amount of the series as specified [in the "Aggregate Nominal Amount of the Series" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Auditor_i**" means the Auditor_i [if specified [in the "Auditor_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution as the Auditor of the Fund_i, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

"**Basket Component_i**," means the respective Fund Share as specified [in the "Basket Component_i" column in Table [●]] in § 1 of the Product and Underlying Data (and collectively the "**Basket Components**").

"**Basket Component_{i best}**" means the following Basket Component_i:

"**Basket Component_{i best}**" (where $i = 1$) means the Basket Component_i with the Best Performance.

"**Basket Component_{i best}**" (where $i = 2, \dots, N$) means the Basket Component_i that is different from all Basket Components_{j best} (where $j = 1, \dots, (i-1)$) with the Best Performance.

[In the case of Securities with a Best-in feature, the following applies:]

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with a Best-out feature, the following applies:]

"**Best-out Period**" means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

"**Best Performance**" means the Performance of Basket Component_i for which the following applies:

$$\text{Performance of Basket Component}_j = \max \left[\frac{K(\text{final})}{K(\text{initial})} \right] \quad (m \text{ i t i} = 1, \dots, N)$$

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

"**Calculation Date**" means each day on which the Reference Price_i is normally published by the respective Fund_i or of the respective Management Company_i.

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

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer

- (a) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [*Insert other Clearing System(s)*].]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

"**Conversion Event**" means Fund Conversion Event.

"**Currency of the Basket Component_i**" means the Currency of the Basket Component_i as specified [in the "Currency of the Basket Component_i" column in Table 2.1] in § 2 of the Product and Underlying Data.

"**Custodian Bank_i**" means the Custodian Bank_i [if specified [in the "Custodian Bank_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution as so specified in the "Custodian Bank" column as the Custodian Bank of the Fund_i, each and every reference to the Custodian Bank_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

[In the case of Securities with a final reference price feature, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with a final average feature, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Best-out feature, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out feature, the following applies:

"First Day of the Worst-out Period" means the First Day of the Worst-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

"Floor Level" means the Floor Level as specified [in the "Floor Level" column in Table [●]] in § 1 of the Product and Underlying Data.

"Fund_i" means, in relation to a Fund Share_i, the investment fund issuing that Fund Share_i or the Fund_i in whose assets the Fund Share_i represents a proportional interest.

"Fund Conversion Event" means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (respectively a **"Fund Replacement Event"**);
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Basket Component is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company_i is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

"Fund Documents_i" means, in relation to a Fund_i, 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_i as well as, if applicable, the articles of association or shareholder agreement, the key investor information document and all other documents of the Fund_i in which the terms and conditions of the Fund_i and of the Fund Shares_i are specified.

"Fund Management_i" means the persons responsible for the portfolio and/or the risk management of the Fund_i.

"Fund Services Provider_i" means, if available, the Administrator_i, the Investment Adviser_i, the Custodian Bank_i, the Management Company_i, the Portfolio Manager_i and the Auditor_i.

"Fund Share_i" means a unit or share of the Fund_i and of the class set out [in the "Basket Component_i" column in Table [●]] in § 1 of the Product and Underlying Data.

"Hedging Disruption" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

"Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"**Investment Adviser_i**" means the Investment Adviser_i [if specified [in the "Investment Adviser_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution [as so specified in the "Investment Adviser_i" column] as the Investment Adviser_i of the Fund_i, each and every reference to the Investment Adviser_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

"**Issue Date**" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:]

"**Issuing Agent**" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where K_i (initial) has already been specified, the following applies:]

" **K_i (initial)**" means K_i (initial) as specified [in the " K_i (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price feature, the following applies:]

" **K_i (initial)**" means the Reference Price_i of the Basket Component_i on the Initial Observation Date.]

[In the case of Securities with an initial average feature, the following applies:]

" **K_i (initial)**" means the equally weighted average of the Reference Prices_i of the Basket Component_i determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in feature, the following applies:]

" **K_i (initial)**" means the highest Reference Price_i of the Basket Component_i during the Best-in Period.]

[In the case of Securities with a Worst-in feature, the following applies:]

" **K_i (initial)**" means the lowest Reference Price_i of the Basket Component_i during the Worst-in Period.]

" **$K_{i \text{ best}}$ (initial)**" means K_i (initial) of the Basket Component_{i best}.

[In the case of Securities with a final reference price feature, the following applies:]

" **K_i (final)**" means the Reference Price_i of the Basket Component_i on the Final Observation Date.]

[In the case of Securities with a final average feature, the following applies:]

" **K_i (final)**" means the equally weighted average of the Reference Prices_i of the Basket Component_i determined on the Final Observation Dates.]

[In the case of Securities with a Best-out feature, the following applies:]

" **K_i (final)**" means the highest Reference Price_i of the Basket Component_i during the Best-out Period.]

[In the case of Securities with a Worst-out feature, the following applies:]

" **K_i (final)**" means the lowest Reference Price_i of the Basket Component_i during the Worst-out Period.]

" **$K_{i \text{ best}}$ (final)**" means K_i (final) of the Basket Component_{i best}.

[In the case of Securities with a Best-in feature, the following applies:]

"**Last Day of the Best-in Period**" means the Last Day of the Best-in Period specified [in the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-in feature, the following applies:

"Last Day of the Worst-in Period" means the Last Day of the Worst-in Period specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Management Company_i" means the Management Company_i [if specified [in the "Management Company_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund_i of the Fund specifies another person, company or institution as so specified in the "Management Company" column as the Management Company of the Fund_i, each and every reference to the Management Company_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"Market Disruption Event" means any of the following events:

- (a) the failure to calculate or the non-publication of the calculation of the NAV_i as a result of a decision by the Management Company or the Fund Services Provider on behalf of the Management Company,
- (b) the closure, conversion or insolvency of the Fund_i or other circumstances which make it impossible to determine the NAV_i, or
- (c) it is not possible to trade Fund Shares_i at the NAV_i. This also covers cases in which the Fund_i or the Management Company_i or a Fund Services Provider on their behalf decides to suspend the redemption or issue of the Fund Shares_i for a specified period or to restrict the redemption or issue of the Fund Shares_i to a specified portion of the volume of the Fund_i or to charge additional fees, or
- (d) the Fund_i or the Management Company_i redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) in general the suspension or restriction of trading on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund_i are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.

"Maturity Date" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Garant Cap Rainbow Securities, the following applies:

"Maximum Amount" means the Maximum Amount as specified [in the "Maximum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Minimum Amount" means the Minimum Amount as specified [in the "Minimum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"N" means the number of the Basket Components as specified in § 1 of the Product and Underlying Data.

"NAV_i" means the official net asset value (the **"Net Asset Value"**) for a Fund Share_i as published by the Fund_i or the Management Company_i or by a third person on their behalf and at which it is actually possible to redeem the Fund Shares_i.

"Nominal Amount" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"Observation Date" means each of the following Observation Dates:

[In the case of Securities with an initial reference price feature with postponement of the Observation Date of all Basket Components, the following applies:

"Initial Observation Date" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial reference price feature with postponement of the Observation Date of the respective Basket Components, the following applies:

"Initial Observation Date" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the Initial Observation Date for the corresponding Basket Component_i.]

[In the case of Securities with an initial average feature and postponement of the Observation Date of all Basket Components, the following applies:

"Initial Observation Date" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corresponding Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial average feature and postponement of the Observation Date of the respective Basket Components, the following applies:

"Initial Observation Date" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the corresponding Initial Observation Date for the corresponding Basket Component_i.]

[In the case of Securities with a final reference price feature with postponement of the Observation Date of all Basket Components, the following applies:

"Final Observation Date" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Final Observation Date for all Basket Components. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final reference price feature with postponement of the Observation Date of the respective Basket Components, the following applies:

"Final Observation Date" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the Final Observation Date for the corresponding Basket Component_i. The Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final average feature with postponement of the Observation Date of all Basket Components, the following applies:

"Final Observation Date" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data.

ta. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corresponding Final Observation Date for all Basket Components. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

[In the case of Securities with a final average feature with postponement of the Observation Date of the respective Basket Components, the following applies:]

"**Final Observation Date**" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the corresponding Final Observation Date for the corresponding Basket Component_i. If the last Final Observation Date for a Basket Component is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interests shall not be paid for such postponement.]

"**Participation Factor**" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Performance_{i best}**" means the Performance of the Basket Component_{i best}, determined from the quotient of K_{i best} (final), as the numerator, and K_{i best} (initial), as the denominator.

"**Performance of Basket Component_i**" means the Performance of the Basket Component_i, determined from the quotient of K_i (final), as the numerator, and K_i (initial), as the denominator.

"**Performance of the Underlying**" means the Performance of the Underlying in accordance with the following formula:

$$\text{Performance of the Underlying} = \sum_{i=1}^N (\text{Performance}_{i \text{ best}} \times W_{i \text{ best}})$$

"**Portfolio Manager_i**" means the Portfolio Manager_i [if specified [in the "Portfolio Manager_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution as so specified in the "Portfolio Manager_i" column as the Portfolio Manager_i of the Fund_i, each and every reference to the Portfolio Manager_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"**Principal Paying Agent**" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

"**Redemption Amount**" means the Redemption Amount as calculated or specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Price_i**" means the Reference Price_i as specified [in the "Reference Price_i" column in Table [●]] in § 1 of the Product and Underlying Data.

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

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:]

"**Settlement Cycle**" means the number of Clearance System Business Days within which the settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of the Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"**Strike**" means the Strike as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data.

"Terms and Conditions" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"Underlying" means a basket consisting of the Basket Components.

"Website[s] of the Issuer" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"Website[s] for Notices" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

"Weighting_{i best} (W_{i best})" means the Weighting allocated to the respective Basket Component, _{best} as specified [in the "Weighting_{i best}" column (where $i = 1, \dots, N$) in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities with a Worst-in feature, the following applies:]

"Worst-in Period" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out feature, the following applies:]

"Worst-out Period" means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

§ 2

Interest

The Securities do not bear interest.

§ 3

Redemption

Redemption: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

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

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Garant Rainbow Securities with a Nominal Amount, the following applies:]

Redemption Amount = Nominal Amount x [Floor Level + Participation Factor x (Performance of the Underlying – Strike)].

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Cap Rainbow Securities with a Nominal Amount, the following applies:]

Redemption Amount = Nominal Amount x [Floor Level + Participation Factor x (Performance of the Underlying – Strike)].

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

§ 5

Issuer's Conversion Right

Issuer's conversion right: If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

[In the case of Securities with postponement of the Observation Date of all Basket Components, the following applies:]

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed for all Basket Components to the next following Calculation Date, which is a Calculation Date for all Basket Components and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Securities with postponement of the Observation Date of the respective Basket Components, the following applies:]

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed for the respective Basket Component to the next following Calculation Date, which is a Calculation Date for the Basket Component and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective Reference Price required for the calculations or specifications described in the Terms and Conditions. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.]

Should the FX Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] the respective FX. The FX required for the calculation or, respectively, specification of the Redemption Amount shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.]

§ 8

Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] adjust these Terms and Conditions (in particular the respective Basket Component, the Ratio and/or all prices of the Basket Component, specified by the Issuer) and/or all prices of the Basket Component, determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the respective Basket Component. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.

- [(2) *Replacement Basket Component:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the respective Basket Component_i (the "**Replacement Basket Component**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Basket Component_i, the ratio and/or all prices of the respective Basket Component_i specified by the Issuer) and/or all prices of the Basket Component_i determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Basket Component and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Basket Component, any reference to the Basket Component_i in these Terms and Conditions shall be deemed to refer to the Replacement Basket Component, unless the context provides otherwise.]

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- [(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component_i, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- [(2)] [(3)] *Replacement Specification:* If a NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component_i, then the relevant value will not be specified again.]

- [(4)] If the Basket Component_i is no longer calculated by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

Option 7: Fund Index Performance Telescope Securities

[Option 7: In the case of Fund Index Performance Telescope Securities and Fund Index Performance Telescope Cap Securities, the following applies:

§ 1

Definitions

"**Additional Amount (k)**" means the Additional Amount (k) as calculated or determined by the Calculation Agent pursuant to § 2 of the Special Conditions.

"**Additional Amount Payment Date (k)**" means the Additional Amount Payment Date (k) as specified [in the "Additional Amount Payment Date (k)" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Adjustment Event**" means each Index Adjustment Event and Fund Adjustment Event.

"**Administrator**" means the Administrator if specified [in the "Administrator" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified [in the "Aggregate Nominal Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Auditor**" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents for the purpose of auditing the Reference Fund in connection with the annual report.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("TARGET2") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive)].

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

"**Calculation Date**" means each day on which the Reference Price is normally published as scheduled by the Index Sponsor or the Index Calculation Agent.

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

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or

- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),
- in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer
- (a) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
 - (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in respect of the securities that form the basis of the Underlying and determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [*Insert other Clearing System (s)*].]

"**Conversion Event**" means any of the following events:

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

"**Custodian Bank**" means, in relation to a Reference Fund, a person, company or institution acting as custodian of the Reference Fund's assets according to the Fund Documents.

"**D (k)**" means the denominator attributed to the respective Observation Date (k) as specified [in the "D (k)" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities with final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**Final Strike Level**" means the Final Strike Level as specified [in the "Final Strike Level" column in Table [●]] in § 1 of the Product and Underlying Data.

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

"**Floor Level**" means the Floor Level as specified [in the "Floor Level" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Fund Adjustment Event**" means:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer and/or the Hedging Party to comply with the terms of its hedging transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency of the Fund Shares, (iv) the respective method of calculating the net asset value or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;
- (b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees existing at the date the Reference Fund and where included in the Underlying);
- (d) the Reference Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Reference Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) (i) a change in the legal, accounting, tax or regulatory treatment of the Reference Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Reference Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Reference Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings, a conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company or a Fund Services Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- (f) a breach of the investment objectives or the investment restrictions of the Reference Fund (as defined in the Fund Documents) or a breach of statutory or regulatory requirements by the Reference Fund or the Management Company;
- (g) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer or the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer or the Hedging Party with respect to its hedging transactions to an extent that is significant in comparison with the conditions applying on the First Trade Date;
- (h) an increase in the proportion of the volume held by the Issuer and the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into hedging transactions beyond [*Insert relevant percentage*]% of the outstanding Fund Shares in the Reference Fund;
- (i) the Issuer or the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
- (j) the sale or redemption of Fund Shares for reasons affecting the Issuer or the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;

- (k) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;
- (l) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer, the Hedging Party or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (m) no notification is given of the bases of taxation for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Reference Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;
- (n) the Reference Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Index Calculation Agent, the Issuer or the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
- (o) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- (p) the Reference Fund or the Management Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (q) any other event that could have a noticeable adverse effect on the net asset value of the Reference Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;

to the extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], the financial position of a hypothetical investor or of the Hedging Party or of the Security Holders suffers a significant adverse change as a result.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

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

"**Fund Documents**" means, in relation to a Reference Fund, – in each case, if available and in the respective most recent version – the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund [if applicable the articles of association], the key investor information and all other documents of the Reference Fund in which the terms and conditions of the Reference Fund and of the Fund Shares are specified.

"**Fund Services Provider**" means, if available, in relation to a Reference Fund, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor of the Reference Fund.

"**Fund Share**" means an Index Component which is a share in a Fund.

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

"Hedging Party" means the Hedging Party as specified in § 1 of the Product and Underlying Data. The Calculation Agent shall be entitled to specify another person or company as the Hedging Party (the **"Successor Hedging Party"**) at any time. The Calculation Agent shall give notice of the specification of a Successor Hedging Party pursuant to § 6 of the General Conditions. In this case each and every reference to the Hedging Party in these Terms and Conditions, depending on the context, shall be deemed to refer to the Successor Hedging Party.

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

"Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"Index Adjustment Event" means any of the following events:

- (a) changes in the relevant Index Concept or the calculation of the Underlying that, in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent, result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;
- (b) the calculation or publication of the Underlying is permanently discontinued or it is replaced by another index (the **"Index Replacement Event"**);
- (c) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying;
- (d) the Reference Price is no longer published in the Underlying Currency.

"Index Calculation Agent" means the Index Calculation Agent as specified [in the "Index Calculation Agent" column in Table 2.2] in § 2 of the Product and Underlying Data.

"Index Component" means, in relation to the Underlying, an asset or a reference value which is incorporated in the calculation of the Underlying at the relevant time.

"Index Conversion Event" means each of the following events:

- (a) an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable Replacement Underlying is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;

- (d) the determination or publication of the Underlying no longer occurs in the Underlying Currency.

"Index Sponsor" means the Index Sponsor as specified [in the "Index Sponsor" column in Table 2.1] in § 2 of the Product and Underlying Data.

"Investment Adviser" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an adviser with respect to the investment activities of the Reference Fund.

"Issue Date" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:]

"Issuing Agent" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:]

"Last Day of the Best-in Period" means the Last Day of the Best-in Period as specified [in the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with Worst-in observation, the following applies:]

"Last Day of the Worst-in Period" means the Last Day of the Worst-in Period as specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Management Company" means, in relation to a Reference Fund, a person, company or institution that manages the Reference Fund according to the Fund Documents.

"Market Disruption Event" means any of the following events:

with respect to the Underlying:

- (a) the suspension or restriction of trading generally on the exchanges or markets on which the Index Components are traded;
- (b) in relation to an Index Component, the suspension or restriction of trading on the exchanges or markets on which that Index Component is traded or on the respective futures exchanges or markets on which derivatives linked to that Index Component are traded;
- (c) in relation to individual derivatives linked to the Underlying, the suspension or restriction of trading on the futures exchanges or markets on which such derivatives are traded;
- (d) the failure to calculate or the cessation or non-publication of the calculation of the Underlying as the result of a decision by the Index Sponsor or the Index Calculation Agent;

with respect to a Reference Fund:

- (e) in relation to a Reference Fund, the failure to calculate or the non-publication of the calculation of the respective NAV as the result of a decision by the respective Management Company or a Fund Services Provider on its behalf,
- (f) in relation to a Reference Fund, the closure, conversion or insolvency of the Reference Fund or other circumstances which make it impossible to determine the NAV, or
- (g) in relation to a Reference Fund, it is not possible to trade Fund Shares at the NAV, including the utilisation of provisions which suspend the redemption or issuance of Fund Shares for a particular period or restrict them to a particular portion of the volume of the Reference Fund or make them subject to the imposition of additional charges, or which permit particular assets to be segregated or payment to be made in

kind instead of in cash or in the case in which payment is not made in full on the redemption of Fund Shares, and

- (h) in relation to a Reference Fund, comparable provisions which affect the ability of the Issuer to hedge its obligations under the Securities,
- (i) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Reference Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent.

"**Maturity Date**" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities with a Minimum Amount and a Cap, the following applies:]

"**Maximum Amount**" means the Maximum Amount as specified [in the "Maximum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Maximum Additional Amount (k)**" means the Maximum Additional Amount (k) as specified [in the "Maximum Additional Amount (k)" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Minimum Additional Amount (k)**" means the Minimum Additional Amount (k) as specified [in the "Minimum Additional Amount (k)" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Minimum Amount**" means the Minimum Amount as specified [in the "Minimum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"**NAV**" means the official net asset value (the "Net Asset Value") for a Fund Share as published by the Reference Fund or from its Management Company and at which it is actually possible to redeem Fund Shares.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:]

"**Initial Observation Date**" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:]

"**Initial Observation Date**" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

"**Observation Date (k)**" means the Observation Date (k) as specified [in the "Observation Date (k)" column in Table [●]] in § 1 of the Product and Underlying Data. If the Observation Date (k) is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Observation Date (k). The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

[In the case of Securities with a final reference price observation, the following applies:]

"**Final Observation Date**" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day that

is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average observation, the following applies:

"Final Observation Date" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day that is a Calculation Date shall be the corresponding Final Observation Date. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

"Participation Factor" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

"Participation Factor (final)" means the Participation Factor (final) as specified [in the "Participation Factor (final)" column in Table [●]] in § 1 of the Product and Underlying Data.

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

"Performance of the Underlying (k)" means the performance of the Underlying (k) using the following formula:

$1/D(k) \times (R(k) / R(\text{initial}) - \text{Strike Level})$

"Portfolio Manager" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an portfolio manager with respect to the investment activities of the Reference Fund. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"Principal Paying Agent" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

"R (initial)" means R (initial) as specified [in the "R (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"R (initial)" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"R (initial)" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

[In the case of Securities with Best-in observation, the following applies:

"R (initial)" means the highest Reference Price during the Best-in Period.]

[In the case of Securities with Worst-in observation, the following applies:

"R (initial)" means the lowest Reference Price during the Worst-in-Period.]

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

[In the case of Securities with a final reference price observation, the following applies:

"R (final)" means the Reference Price on the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

"R (final)" means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]

"Redemption Amount" means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

"Reference Fund" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share has a proportional interest.

"Reference Price" means the Reference Price of the Underlying as specified [in the "Reference Price" column in Table [●]] in § 1 of the Product and Underlying Data.

"Security Holder" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"Settlement Cycle" means the number of Clearance System Business Days relating to a Security that forms the basis of the Underlying, within which settlement will customarily occur according to the rules of that Clearance System.]

"Specified Currency" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"Strike" means [the Strike as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data][R (initial) x Strike Level].

"Strike Level" means the Strike Level [as specified [in the "Strike Level" column in Table [●]] in § 1 of the Product and Underlying Data].

"Terms and Conditions" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"Transfer and Registration Agent" means, in relation to a Reference Fund, a person, company or institution entrusted with maintaining the books and records with respect to the shareholders of the Reference Fund according to the Fund Documents.

"Underlying" means the Underlying as specified [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"Underlying Currency" means the Underlying Currency as specified [in the "Underlying Currency" column in Table 2.1] in § 2 of the Product and Underlying Data.

"Website[s] of the Issuer" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"Website[s] for Notices" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

"Worst-in Period" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

§ 2

Interest, Additional Amount

- (1) *Interest:* The Securities do not bear interest.
- (2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Securities with an unconditional Additional Amount, the following applies:]

- (2) *Additional Amount:* The Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor (final) x Performance of the Underlying (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

§ 3

Redemption

Redemption: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

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

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Securities with a Minimum Amount, the following applies:]

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Securities with a Minimum Amount and Cap, the following applies:]

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

§ 5

Issuer's Conversion Right

- (1) *Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:]

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date (k), the respective Observation Date (k) will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date (k) shall be postponed if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification

- (1) *Index Concept*: The basis for the calculations or specifications of the Calculation Agent described in these Terms and Conditions shall be the Underlying with its provisions applicable from time to time, as developed and maintained by the Index Sponsor, as well as the respective method of calculation, determination and publication of the price of the Underlying (the "**Index Concept**") applied by the Index Sponsor. This shall also apply if during the term of the Securities changes are made or occur in respect of the Index Concept, or if other measures are taken which have an impact on the Index Concept, unless otherwise provided in the provisions below.
- (2) *Adjustments*: Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular, the ratio, the Underlying and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available NAV or the liquidation proceeds for the Reference Fund. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (3) *Replacement Underlying*: In cases of an Index Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which index should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.
- (4) *New Index Sponsor and New Index Calculation Agent*: If the Underlying is no longer determined by the Index Sponsor but by another person, company or institution (the "**New Index Sponsor**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as determined by the New Index Sponsor. In this case, any reference to the Index Sponsor shall be deemed to refer to the New Index Sponsor, depending on the context. If the Underlying is no longer calculated by the Index Calculation Agent but by another person, company or institution (the "**New Index Calculation Agent**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as calculated by the New Index Calculation Agent. In this case, any reference to the Index Calculation Agent shall be deemed to refer to the New Index Calculation Agent, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (5) *Replacement Specification*: If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index

Sponsor or the Index Calculation Agent, as the case may be, after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- (5) *Replacement Specification:* If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]
- (6) If the Reference Fund is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.
- (7) If the Reference Fund is replaced by the Index Sponsor in accordance with the Index Concept by one or more other funds (in each case a "**Replacement Reference Fund**"), each and every reference to the Reference Fund in these Terms and Conditions shall be deemed, depending on the context, to refer to the respective Replacement Reference Fund. The Replacement Reference Fund shall be published pursuant to § 6 of the General Conditions.]

Option 8: Garant Performance Telescope Securities

[Option 8: In the case of Garant Performance Telescope Securities and Garant Performance Telescope Cap Securities, the following applies:

§ 1

Definitions

"**Additional Amount (k)**" means the Additional Amount (k) as calculated or determined by the Calculation Agent pursuant to § 2 of the Special Conditions.

"**Additional Amount Payment Date (k)**" means the Additional Amount Payment Date (k) as specified [in the "Additional Amount Payment Date (k)" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Adjustment Event**" means in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;
- (b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) by the Fund or the Management Company that is material in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] or a breach of statutory or regulatory requirements by the Fund or the Management Company;

- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], is significant in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the outstanding Fund Shares;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for mandatory reasons affecting the Issuer, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or changes in relevant case law or administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "**InvStG**") or the Fund or

the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;

- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice of the Calculation Agent to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund and/or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or on the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency[;][.]
- [(aa) the historic volatility of the Underlying exceeds a volatility level of *[Insert]*%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding *[Insert number of days]* Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[\ln \left[\frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left(\sum_{q=1}^P \ln \left[\frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"**t**" is the relevant Calculation Date;

"**P**" is *[Insert number of days]*;

"**NAV (t-k)**" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"**ln [x]**" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the Underlying for the most recent *[Insert number of days]* Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates. The volatility determined using this method may not exceed a volatility level of *[Insert]*%.]

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

"**Administrator**" means the Administrator [if specified [in the "Administrator" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

["**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified [in the "Aggregate Nominal Amount" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Auditor**" means the Auditor [if specified [in the "Auditor" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:]

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive).]

[In the case of Securities with Best-out observation, the following applies:]

"**Best-out Period**" means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive).]

[In the case of Garant Performance Telescope Cap Securities, the following applies:]

"**Cap Level**" means the Cap Level as specified [in the "Cap Level" column in Table [●]] in § 1 of the Product and Underlying Data.]

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

"**Calculation Date**" means each day on which the Reference Price is normally published by the Fund or the Management Company.

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

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer

- (a) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [*Insert other Clearing System(s)*].]

"**Conversion Event**" means a Fund Conversion Event.

"**Custodian Bank**" means the Custodian Bank [if specified [in the "Custodian Bank" column in Table 2.2] in § 2 of the Product and Underlying Data]] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Custodian Bank" column] as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

"**D (k)**" means the denominator attributed to the respective Observation Date (k) as specified [in the "D (k)" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities with final Reference Price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**Final Strike Level**" means the Final Strike Level as specified [in the "Final Strike Level" column in Table [●]] in § 1 of the Product and Underlying Data.

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with a Best-out observation, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**First Day of the Distribution Observation Period**" means the first Initial Observation Date.]

[In the case of Securities with a Worst-out observation, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

"**Fund**" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share represents a proportional interest.

A "**Fund Conversion Event**" means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (each a "**Fund Replacement Event**");
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no Replacement Underlying is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no Replacement Management Company is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

"**Fund Documents**" means, in relation to the Fund, in each case, if available and in the respective most recent version: the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund if applicable the articles of association, the key investor information and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

"**Fund Management**" means the persons responsible for the portfolio and/or risk management of the Fund.

"**Fund Services Provider**" means, if applicable, the Administrator, the Auditor, the Investment Adviser, the Custodian Bank, the Management Company and the Portfolio Manager.

"**Fund Share**" means a unit or share of the Fund and the class set out [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

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

"**Increased Costs of Hedging**" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"**Investment Adviser**" means the Investment Adviser [if specified [in the "Investment Adviser" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Investment Adviser" column] as the Investment

Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

"**Issue Date**" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

"**Issuing Agent**" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

"**Last Day of the Best-in Period**" means the Last Day of the Best-in Period as specified [in the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Last Day of the Distribution Observation Period**" means the last Final Observation Date.]

[In the case of Securities with Worst-in observation, the following applies:

"**Last Day of the Worst-in Period**" means the Last Day of the Worst-in Period as specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Management Company**" means the Management Company [if specified [in the "Management Company" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund specifies another person, company or institution [as so specified in the "Management Company" column] as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"**Market Disruption Event**" means any of the following events:

- (a) the failure to calculate or non-publication of the calculation of the NAV as the result of a decision by the Management Company or a Fund Services Provider on its behalf,
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund or the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of the Fund Shares for a specified period or to restrict the redemption or issue of the Fund Shares to a specified portion of the volume of the Fund or to levy additional fees, or
- (d) the Fund or the Management Company redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.

"**Maturity Date**" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Maximum Additional Amount (k)**" means the Maximum Additional Amount (k) as specified [in the "Maximum Additional Amount (k)" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Maximum Amount" means the Nominal Amount x Cap Level.

"Minimum Additional Amount (k)" means the Minimum Additional Amount (k) as specified [in the "Minimum Additional Amount (k)" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Minimum Amount" means the Minimum Amount as specified [in the "Minimum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"NAV" means the official net asset value (the **"Net Asset Value"**) for a Fund Share as published by the Fund or the Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.

"Nominal Amount" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"Observation Date" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

"Initial Observation Date" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"Initial Observation Date" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

"Observation Date (k)" means the Observation Date (k) as specified [in the "Observation Date (k)" column in Table [●]] in § 1 of the Product and Underlying Data. If the Observation Date (k) is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Observation Date (k). The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

[In the case of Securities with a final reference price observation, the following applies:

"Final Observation Date" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day that is a Calculation Date shall be the Final Observation Date. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average observation, the following applies:

"Final Observation Date" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date, then the immediately following Banking Day that is a Calculation Date shall be the corresponding Final Observation Date. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

"Participation Factor" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

"Participation Factor (final)" means the Participation Factor (final) as specified [in the "Participation Factor (final)" column in Table [●]] in § 1 of the Product and Underlying Data.

"Performance of the Underlying (k)" means the performance of the Underlying (k) using the following formula:

$1/D(k) \times (R(k) / R(\text{initial}) - \text{Strike Level})$

"Portfolio Manager" means the Portfolio Manager [if specified [in the "Portfolio Manager" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Portfolio Manager" column] as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"Principal Paying Agent" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

"R (initial)" means R (initial) as specified [in the "R (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"R (initial)" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (initial)" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors determined on the Initial Observation Dates.]

[In other cases, the following applies:

"R (initial)" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]]

[In the case of Securities with Best-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (initial)" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-in Period.]

[In other cases, the following applies:

"R (initial)" means the highest Reference Price during the Best-in Period.]]

[In the case of Securities with Worst-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (initial)" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-in-Period.]

[In other cases, the following applies:

"R (initial)" means the lowest Reference Price during the Worst-in Period.]]

[In the case of Securities with a final reference price observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (final)" means the value of the product of Reference Price and Reference Price Adjustment Factor on the Final Observation Date.]

[In other cases, the following applies:

"R (final)" means the Reference Price on the Final Observation Date.]]

[In the case of Securities with a final average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors, determined on the Final Observation Dates.]

[In other cases, the following applies:

"**R (final)**" means the equally weighted average of the Reference Prices determined on the Final Observation Dates.]]

[In the case of Securities with a Best-out observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-out Period.]

[In other cases, the following applies:

"**R (final)**" means the highest Reference Price during the Best-out Period.]]

[In the case of Securities with a Worst-out observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**R (final)**" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-out Period.]

[In other cases, the following applies:

"**R (final)**" means the lowest Reference Price during the Worst-out Period.]]

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

"**Redemption Amount**" means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Price**" means the Reference Price of the Underlying as specified [in the "Reference Price" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Reference Price Adjustment Factor**" means, in relation to an Observation Date, the product of all the Underlying Distribution Factors for which the Underlying Distribution Ex-Date falls into [the period] [the time] between the First Day of the Distribution Observation Period (exclusive) and the respective Observation Date (inclusive).]

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

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days within which settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of that Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"**Strike**" means the Strike [as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data][R (initial) x Strike Level].]

"**Strike Level**" means the Strike Level [as specified [in the "Strike Level" column in Table [●]] in § 1 of the Product and Underlying Data].

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a Fund Share as specified [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the "Underlying Currency" column in Table 2.1] in § 2 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**Underlying Distribution**" means each cash distribution specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] that is declared and paid by the Fund or the Management Company in respect of the Underlying.

"**Underlying Distribution Date**" means, in relation to an Underlying Distribution, the Calculation Date immediately prior to the respective Underlying Distribution Ex-Date.

"**Underlying Distribution Ex-Date**" means, in relation to an Underlying Distribution, the first day on which the NAV is published having been reduced by that Underlying Distribution.

"**Underlying Distribution Factor**" means the Underlying Distribution Factor calculated by the Calculation Agent in respect of each Underlying Distribution Ex-Date within the Underlying Distribution Observation Period as the total of (i) one and (ii) the quotient of the respective Underlying Distribution (net) and the NAV on the respective Underlying Distribution Date.

"**Underlying Distribution (net)**" means, in relation to an Underlying Distribution, that Underlying Distribution less an amount determined by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] equal to the taxes, levies, retentions, deductions or other charges that would arise with respect to the cash distribution for a private investor fully liable to tax in Germany if he were the holder of the Underlying.

"**Underlying Distribution Observation Period**" means each Calculation Date between the First Day of the Distribution Observation Period (exclusive) and the Last Day of the Distribution Observation Period.]

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with Worst-out observation, the following applies:

"**Worst-out Period**" means [Insert relevant day(s)] between the First Day of the Worst-in Period (inclusive) and the Final Observation Date (inclusive).]

§ 2

Interest, Additional Amount

- (1) *Interest:* The Securities do not bear interest.
- (2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Securities with an unconditional Additional Amount, the following applies:

- (2) *Additional Amount:* The corresponding Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

§ 3

Redemption

Redemption: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

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

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Garant Performance Telescope Securities, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Performance Telescope Cap Securities, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

§ 5

Issuer's Conversion Right

- (1) Issuer's conversion right: If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination

for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date (k), the respective Observation Date (k) will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date (k) shall be postponed if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [*Insert number of Banking Days*] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] the respective Reference Price required for the calculation or specification of the Re-

demption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

§ 8

Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price for the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (3) *Replacement Specification:* If an NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- (3) *Replacement Specification:* If an NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior

to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

- (4) If the Underlying is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

Option 9: Garant Performance Telescope Basket Securities

[Option 9: In the case of Garant Performance Telescope Basket Securities and Garant Performance Telescope Cap Basket Securities, the following applies:

§ 1

Definitions

"**Adjustment Event**" means in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents_i without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund_i, (ii) the investment objectives or investment strategy or investment restrictions of the Fund_i, (iii) the currency of the Fund Shares_i, (iv) the method of calculating the NAV_i or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares_i;
- (b) requests for the redemption, subscription or transfer of Fund Shares_i 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_i (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund_i or the Management Company_i or the Fund Services Provider_i appointed for this purpose by the Fund_i or the Management Company_i fails to publish the NAV_i as scheduled or in accordance with normal practice or as specified in the Fund Documents_i;
- (e) a change in the legal form of the Fund_i;
- (f) a change of significant individuals in key positions at the Management Company_i or in the Fund Management_i of the Fund_i;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund_i or of the Management Company_i; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Fund_i or of the Management Company_i; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Fund_i or of the Management Company_i 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_i, the Management Company_i or a Fund Services Provider_i, or of individuals in key positions at the Management Company_i or in the Fund Management_i of the Fund_i as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach of the investment objectives, the investment strategy or the investment restrictions of the Fund_i (as defined in the Fund Documents_i) by the Fund_i or the Management Company_i that is material in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] or a breach of statutory or regulatory requirements by the Fund_i or the Management Company_i;
- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares_i, (i) to

create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], is significant in comparison with the conditions applying on the First Trade Date;

- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the outstanding Fund Shares;
- (l) the Issuer is required to consolidate the Fund_i as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares_i for mandatory reasons affecting the Issuer, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares_i or of the redemption of existing Fund Shares_i, (ii) the reduction of the number of Fund Shares_i of a shareholder in the Fund_i for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares_i, (iv) payments in respect of a redemption of Fund Shares_i being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets;
- (o) the Management Company_i or a Fund Services Provider_i discontinues its services for the Fund_i or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund_i or the Fund Shares_i, (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_i or the merger of the Fund_i into or with another fund, (iii) a requirement to transfer all the Fund Shares_i to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares_i by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund_i or the Management Company_i;
- (r) the Issuer loses the right to use the Fund_i as the Basket Component for the Securities;
- (s) a change in the tax laws and regulations or changes in relevant case law or administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund_i in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "**InvStG**") or the Fund_i or the Management Company_i has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;

- (u) changes in the investment or distribution policy of the Fund_i which could have a substantial negative effect on the amount of the Fund_i's distributions as well as distributions which diverge significantly from the Fund_i's normal distribution policy to date;
- (v) the Fund_i or the Management Company_i or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund_i in a significant respect or terminates that agreement;
- (w) the Fund_i or the Management Company_i, 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_i's investment guidelines or restrictions in a timely manner;
- (x) the Management Company_i fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV_i or on the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV_i is no longer published in the Currency of the Basket Component_i [;][.]
- [(aa) the historic volatility of the Basket Component_i with $i=1, \dots$ [*Insert the respective number of the Basket Component*] exceeds a volatility level of [*Insert the respective %*] respectively. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the NAV_i over the immediately preceding [*Insert number of days*] Calculation Dates in each case using the following formula:

$$\sigma_i(t) = \sqrt{\frac{\sum_{p=1}^P \left[\ln \left[\frac{\text{NAV}_i(t-p)}{\text{NAV}_i(t-p-1)} \right] - \frac{1}{P} \times \left(\sum_{q=1}^P \ln \left[\frac{\text{NAV}_i(t-q)}{\text{NAV}_i(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"**t**" is the relevant Calculation Date;

"**P**" is [*Insert number of days*];

"**NAV_i (t-k)**" (with $k = p, q$) is the NAV_i of the Basket Component_i on the k-th Calculation Date preceding the relevant Calculation Date (t);

"**ln [x]**" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the NAV_i for the most recent [*Insert number of days*] Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV_i between two consecutive Calculation Dates. The volatility determined using this method may not exceed a volatility level for the Basket Component_i with $i=1, \dots$ [*Insert the respective number of the Basket Component*] of [*Insert the respective %*] respectively.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

"**Administrator_i**" means the Administrator_i [if specified [in the "Administrator_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution as the Administrator of the Fund_i as so specified in the "Administrator_i" column, each and every reference to the Administrator_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified [in the "Aggregate Nominal Amount" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Auditor_i**" means the Auditor_i [if specified [in the "Auditor_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund]. If the Fund_i or the Management Company_i specifies another person, company or institution as the Auditor of the Fund_i, each and every reference to the Auditor_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor_i.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

"**Basket Component_i**" means the respective Fund Share as specified [in the "Basket Component_i" column in Table 2.2] in § 2 of the Product and Underlying Data (and collectively the "Basket Components").

[In the case of Securities with Best-in observation, the following applies:

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive)].

[In the case of Securities with a Best-out observation, the following applies:

"**Best-out Period**" means [Insert relevant day(s)] between the First Day of the Best-out Period (inclusive) and the Final Observation Date (inclusive)].

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

"**Calculation Date**" means each day on which the Reference Price_i is normally published by the respective Fund_i or the respective Management Company_i.

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

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Issuer

- (a) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means [*Insert other Clearing System(s)*].]

"**Conversion Event**" means a Fund Conversion Event.

"**Currency of the Basket Component_i**" means the Currency of the Basket Component_i as specified [in the "Currency of the Basket Component_i" column in Table 2.1] in § 2 of the Product and Underlying Data.

"**Custodian Bank_i**" means the Custodian Bank_i [if specified [in the "Custodian Bank_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund_i]. If the Fund_i or the Management Company_i specifies another person, company or institution as the Custodian Bank of the Fund_i, each and every reference to the Custodian Bank_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

"**D (k)**" means the denominator attributed to the respective Observation Date (k) as specified [in the "D (k)" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities with a final reference price observation, the following applies:

"**Exercise Date**" means the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

"**Exercise Date**" means the last Final Observation Date.]

"**Final Strike Level**" means the Final Strike Level [as specified [in the "Final Strike Level" column in Table [●]] in § 1 of the Product and Underlying Data].

[In the case of Securities with a Best-out observation, the following applies:

"**First Day of the Best-out Period**" means the First Day of the Best-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with a Worst-out observation, the following applies:

"**First Day of the Worst-out Period**" means the First Day of the Worst-out Period specified [in Table [●]] in § 1 of the Product and Underlying Data.]

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

"**Floor Level**" means the Floor Level as specified [in the "Floor Level" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Fund_i**" means, in relation to a Fund Share_i, the investment fund issuing that Fund Share_i or the investment fund in whose assets the Fund Share_i represents a proportional interest.

A "**Fund Conversion Event**" means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (each a "Fund Replacement Event");
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Basket Component is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

"**Fund Documents**" means, in relation to a Fund_i, in each case, if available and in the respective most recent version: the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund, if applicable the articles of association, the key investor information and all other documents of the Fund_i in which the terms and conditions of the Fund_i and of the Fund Shares_i are specified.

"**Fund Management_i**" means the persons responsible for the portfolio and/or risk management of the Fund_i.

"**Fund Services Provider_i**" means, if applicable, the Administrator_i, the Auditor_i, the Investment Adviser_i, the Custodian Bank_i, the Management Company_i and the Portfolio Manager_i.

"**Fund Share_i**" means a unit or share of the class set out [in the "Basket Component_i" column in Table [●]] in § 2 of the Product and Underlying Data.

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

["**Income Payment Event**" means that the Performance of the Underlying (k) is greater than the Strike.]

"**Increased Costs of Hedging**" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"**Investment Adviser_i**" means the Investment Adviser_i [if specified [in the "Investment Adviser_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund_i]. If the Fund_i or the Management Company_i specifies another person, company or institution as so specified in the "Investment Adviser_i" column as the Investment Adviser_i of the Fund_i, each and every reference to the Investment Adviser_i in these

Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

"Issue Date" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

"Issuing Agent" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities where K_i (initial) has already been specified, the following applies:

" K_i (initial)" means K_i (initial) as specified [in the " K_i (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

" K_i (initial)" means the Reference Price _{i} of the Basket Component _{i} on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

" K_i (initial)" means the equally weighted average of the Reference Prices _{i} of the Basket Component _{i} determined on the Initial Observation Dates.]

[In the case of Securities with a Best-in observation, the following applies:

" K_i (initial)" means the highest Reference Price _{i} of the Basket Component _{i} during the Best-in Period.]

[In the case of Securities with a Worst-in observation, the following applies:

" K_i (initial)" means the lowest Reference Price _{i} of the Basket Component _{i} during the Worst-in Period.]

" K_i (k)" means the Reference Price _{i} of the Basket Component _{i} on the respective Observation Date (k).

[In the case of Securities with a final reference price observation, the following applies:

" K_i (final)" means the Reference Price _{i} of the Basket Component _{i} on the Final Observation Date.]

[In the case of Securities with a final average observation, the following applies:

" K_i (final)" means the equally weighted average of the Reference Prices _{i} of the Basket Component _{i} determined on the Final Observation Dates.]

[In the case of Securities with a Best-out observation, the following applies:

" K_i (final)" means the highest Reference Price _{i} of the Basket Component _{i} during the Best-out Period.]

[In the case of Securities with a Worst-out observation, the following applies:

" K_i (final)" means the lowest Reference Price _{i} of the Basket Component _{i} during the Worst-out Period.]

[In the case of Securities with Best-in observation, the following applies:

"Last Day of the Best-in Period" means the Last Day of the Best-in Period as specified [in the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with Worst-in observation, the following applies:

"Last Day of the Worst-in Period" means the Last Day of the Worst-in Period as specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Management Company_i" means the Management Company_i [if specified [in the "Management Company_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund_i]. If the Fund_i specifies another person, company or institution as the Management Company_i of the Fund_i, each and every reference to the Management Company_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"Market Disruption Event" means any of the following events:

- (a) the failure to calculate or non-publication of the calculation of the NAV_i as the result of a decision by the Management Company_i or a Fund Services Provider_i on its behalf,
- (b) the closure, conversion or insolvency of the Fund_i or other circumstances which make it impossible to determine the NAV_i, or
- (c) it is not possible to trade Fund Shares_i at the NAV_i. This also covers cases in which the Fund_i or the Management Company_i or the Fund Services Provider_i on their behalf decides to suspend the redemption or issue of the Fund Shares_i for a specified period or to restrict the redemption or issue of the Fund Shares_i to a specified portion of the volume of the Fund_i or to levy additional fees, or
- (d) the Fund_i or the Management Company_i redeems the Fund Shares_i in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund_i are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent.

"Maturity Date" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Garant Performance Telescope Cap Basket Securities, the following applies:

[**"Maximum Amount"** means the Maximum Amount as specified [in the "Maximum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Minimum Amount" means the Minimum Amount as specified [in the "Minimum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"N" means the number of the Basket Components as specified in § 1 of the Product and Underlying Data.

"NAV_i" means the official net asset value (the **"Net Asset Value"**) for a Fund Share_i as published by the Fund_i or the Management Company_i or by a third person on their behalf and at which it is actually possible to redeem Fund Shares_i.

"Nominal Amount" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"Observation Date" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation with postponement of the Observation Date of all Basket Components, the following applies:

"Initial Observation Date" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day which is a Calculation Date for all Basket Components shall be the Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial reference price observation with postponement of the Observation Date of all Basket Components, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the Initial Observation Date for the corresponding Basket Component_i.]

[In the case of Securities with an initial average observation and postponement of the Observation Date of all Basket Components, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day which is a Calculation Date for all Basket Components shall be the corresponding Initial Observation Date for all Basket Components.]

[In the case of Securities with an initial average observation and postponement of the Observation Date of the respective Basket Components, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the corresponding Initial Observation Date for the corresponding Basket Component_i.]

"**Observation Date (k)**" means the Observation Date (k) as specified [in the "Observation Date (k)" column in Table [●]] in § 1 of the Product and Underlying Data. If this day is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day which is a Calculation Date for all Basket Components shall be the Final Observation Date for all Basket Components. The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

[In the case of Securities with a final reference price observation with postponement of the Observation Date of all Basket Components, the following applies:

"**Final Observation Date**" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the Final Observation Date for all Basket Components. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final reference price observation with postponement of the Observation Date of the respective Basket Components, the following applies:

"**Final Observation Date**" means the Final Observation Date as specified [in the "Final Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the Final Observation Date for the corresponding Basket Component_i. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average observation with postponement of the Observation Date of all Basket Components, the following applies:

"**Final Observation Date**" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If this day is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for all Basket Components shall be the corre-

sponding Final Observation Date for all Basket Components. If the last Final Observation Date is not a Calculation Date, then the Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

[In the case of Securities with a final average observation with postponement of the Observation Date of the respective Basket Components, the following applies:

"Final Observation Date" means each of the Final Observation Dates specified [in the "Final Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If this day is not a Calculation Date for one or more Basket Components, then the immediately following Banking Day that is a Calculation Date for the corresponding Basket Component_i shall be the corresponding Final Observation Date for the corresponding Basket Component_i. The Maturity Date shall be postponed correspondingly. Interest shall not be paid for such postponement.]

"Participation Factor" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

"Participation Factor (final)" means the Participation Factor (final) as specified [in the "Participation Factor (final)" column in Table [●]] in § 1 of the Product and Underlying Data.

"Performance_i (k)" means the Performance of the Basket Component_i (k) using the following formula:

$$K_i(k) / K_i(\text{initial})$$

"Performance_i" means the Performance of the Basket Component_i, determined from the quotient of K_i (final), as the numerator, and K_i (initial), as the denominator.

"Performance of the Underlying" means the Performance of the Underlying in accordance with the following formula:

$$\text{Performance of the Underlying} = \sum_{i=1}^N (\text{Performance}_i \times W_i)$$

"Performance of the Underlying (k)" means the performance of the Underlying (k) using the following formula:

$$\text{Performance of the Underlying (k)} = \sum_{i=1}^N (\text{Performance}_i(k) \times W_i)$$

"Portfolio Manager_i" means the Portfolio Manager_i [if specified [in the "Portfolio Manager_i" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents_i] [of the Fund_i]. If the Fund_i or the Management Company_i specifies another person, company or institution [as so specified in the "Portfolio Manager_i" column] as the Portfolio Manager_i of the Fund_i, each and every reference to the Portfolio Manager_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"Principal Paying Agent" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

"Redemption Amount" means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

"Reference Price_i" means the Reference Price_i as specified [in the "Reference Price_i" column in Table [●]] in § 1 of the Product and Underlying Data.

"Security Holder" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days within which settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of that Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

["**Strike**" means the Strike as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Underlying**" means a basket consisting of the Basket Components.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

"**Weighting_i (W_i)**" (where $i = 1, \dots, N$) means the weighting allocated to the Basket Component_i as specified [in the "Weighting_i" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

[In the case of Securities with a Worst-out observation, the following applies:

"**Worst-out Period**" means [Insert relevant day(s)] between the First Day of the Worst-out Period (inclusive) and the Final Observation Date (inclusive).]

§ 2

Interest

- (1) The Securities do not bear interest.
- (2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x (Performance of the Underlying (k) – Strike) x Participation Factor x 1/D (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Securities with an unconditional Additional Amount, the following applies:

- (2) *Additional Amount:* The corresponding Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x (Performance of the Underlying (k) – Strike) x Participation Factor x 1/D (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

§ 3

Redemption

Redemption: The Securities shall be redeemed upon automatic exercise on the Exercise Date by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

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

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals an amount in the Specified Currency, which is calculated or specified by the Calculation Agent as follows:

[In the case of Garant Performance Telescope Basket Securities with a Nominal Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount.]

[In the case of Garant Performance Telescope Cap Basket Securities with a Nominal Amount, the following applies:

Redemption Amount = Nominal Amount x (Floor Level + Participation Factor (final) x (Performance of the Underlying – Final Strike Level)).

However, the Redemption Amount is not less than the Minimum Amount and not more than the Maximum Amount.]

§ 5

Issuer's Conversion Right

- (1) *Issuer's conversion right:* If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

[In the case of Securities with an averaging observation, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists. If, as a result of such postponement, several Observation Dates fall on the same date, then each of these Observation Dates shall be deemed to be an Observation Date for averaging purposes.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Securities allowing for a postponement of the Observation Date for all Basket Components, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date for all Basket Components will be postponed to the next following Banking Day that is a Calculation Date for all Basket Components and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

[In the case of Securities allowing for postponement of the Observation Date for the relevant Basket Components, the following applies:

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date for the respective Basket Component_i will be postponed to the next following Banking Day that is a Calculation Date for the Basket Component_i and on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. No interest is due because of such postponement.]

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] the respective Reference Price_i required for the calculation or specification of the Redemption Amount. Such Reference Price_i shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

§ 8

Index Concept, Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

- (1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] adjust these Terms and Conditions (in particular, the ratio, the respective Basket Component_i and/or all prices of the respective Basket Component_i specified by the Issuer) and/or all prices of the respective Basket Component_i determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price of the respective Basket Component_i. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (2) *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] determining which Fund or Fund Share should be used in the future as the respective Basket Component_i (the "**Replacement Basket Component**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Basket Component_i, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Basket Component_i determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Basket Component and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Basket Component, any reference to the Basket Component_i in these Terms and Conditions shall be deemed to refer to the Replacement Basket Component, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (3) *Replacement Specification:* If an NAV_i, 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_i after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component_i, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- (3) *Replacement Specification:* If an NAV_i, 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_i after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Basket Component_i, then the relevant value will not be specified again.]
- (4) If the Basket Component_i is no longer managed by the Management Company_i but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company_i in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.]

Option 10: Fund Index Telescope Securities

[Option 10: In the case of Fund Index Telescope Securities, the following applies:]

§ 1

Definitions

"**Additional Amount (k)**" means the Additional Amount (k) as calculated or determined by the Calculation Agent pursuant to § 2 of the Special Conditions.

"**Additional Amount Payment Date (k)**" means the Additional Amount Payment Date (k) as specified [in the "Additional Amount Payment Date (k)" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Adjustment Event**" means each Index Adjustment Event and Fund Adjustment Event.

"**Administrator**" means the Administrator if specified [in the "Administrator" column in Table 2.2] in § 2 of the Product and Underlying Data. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified [in the "Aggregate Nominal Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Auditor**" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents for the purpose of auditing the Reference Fund in connection with the annual report.

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:]

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive)].

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

"**Calculation Date**" means each day on which the Reference Price is normally published as scheduled by the Index Sponsor or the Index Calculation Agent.

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

- (c) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (d) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer

- (c) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (d) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"Clearance System" means the principal domestic clearance system customarily used for settling trades in respect of the securities that form the basis of the Underlying and determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*].

"Clearance System Business Day" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

"Clearing System" means Clearstream Banking AG, Frankfurt am Main ("**CBF**").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"Clearing System" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"Clearing System" means [*Insert other Clearing System (s)*].]

"Conversion Event" means any of the following events:

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

"Custodian Bank" means, in relation to a Reference Fund, a person, company or institution acting as custodian of the Reference Fund's assets according to the Fund Documents.

"D (k)" means the denominator attributed to the respective Observation Date (k) as specified [in the "D (k)" column in Table [●]] in § 1 of the Product and Underlying Data.

"First Trade Date" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

"Fund Adjustment Event" means:

- (r) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer and/or the Hedging Party to comply with the terms of its hedging transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency of the Fund Shares, (iv) the respective method of calculating the net asset value or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;

- (s) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (t) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees existing at the date the Reference Fund and where included in the Underlying);
- (u) the Reference Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Reference Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (v) (i) a change in the legal, accounting, tax or regulatory treatment of the Reference Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Reference Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Reference Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings, a conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company or a Fund Services Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- (w) a breach of the investment objectives or the investment restrictions of the Reference Fund (as defined in the Fund Documents) or a breach of statutory or regulatory requirements by the Reference Fund or the Management Company;
- (x) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer or the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer or the Hedging Party with respect to its hedging transactions to an extent that is significant in comparison with the conditions applying on the First Trade Date;
- (y) an increase in the proportion of the volume held by the Issuer and the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into hedging transactions beyond [*Insert relevant percentage*]% of the outstanding Fund Shares in the Reference Fund;
- (z) the Issuer or the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
- (aa) the sale or redemption of Fund Shares for reasons affecting the Issuer or the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (bb) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;
- (cc) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer, the Hedging Party or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;

- (dd) no notification is given of the bases of taxation for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "InvStG") or the Reference Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;
- (ee) the Reference Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Index Calculation Agent, the Issuer or the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
- (ff) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- (gg) the Reference Fund or the Management Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (hh) any other event that could have a noticeable adverse effect on the net asset value of the Reference Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;

to the extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], the financial position of a hypothetical investor or of the Hedging Party or of the Security Holders suffers a significant adverse change as a result.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

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

"**Fund Documents**" means, in relation to a Reference Fund, – in each case, if available and in the respective most recent version – the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund [if applicable the articles of association], the key investor information and all other documents of the Reference Fund in which the terms and conditions of the Reference Fund and of the Fund Shares are specified.

"**Fund Services Provider**" means, if available, in relation to a Reference Fund, the Administrator, the Investment Adviser, the Custodian Bank, the Management Company, the Portfolio Manager and the Auditor of the Reference Fund.

"**Fund Share**" means an Index Component which is a share in a Fund.

"**Hedging Disruption**" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (c) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (d) realise, reclaim or pass on proceeds from such transactions or assets.

"**Hedging Party**" means the Hedging Party as specified in § 1 of the Product and Underlying Data. The Calculation Agent shall be entitled to specify another person or company as the Hedging Party (the "**Successor Hedging Party**") at any time. The Calculation Agent shall give notice of the specification of a Successor Hedging Party pursuant to § 6 of the General Conditions. In this case each and every reference to the Hedging Party in these Terms and Conditions, depending on the context, shall be deemed to refer to the Successor Hedging Party.

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

"Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (c) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (d) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"Index Adjustment Event" means any of the following events:

- (e) changes in the relevant Index Concept or the calculation of the Underlying that, in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent, result in a new relevant Index Concept or calculation of the Underlying being no longer economically equivalent to the original relevant Index Concept or the original calculation of the Underlying;
- (f) the calculation or publication of the Underlying is permanently discontinued or it is replaced by another index (the **"Index Replacement Event"**);
- (g) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the Underlying;
- (h) the Reference Price is no longer published in the Underlying Currency.

"Index Calculation Agent" means the Index Calculation Agent as specified [in the "Index Calculation Agent" column in Table 2.2] in § 2 of the Product and Underlying Data.

"Index Component" means, in relation to the Underlying, an asset or a reference value which is incorporated in the calculation of the Underlying at the relevant time.

"Index Conversion Event" means each of the following events:

- (e) an adjustment pursuant to § 8 (3) or (4) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders;
- (f) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable Replacement Underlying is available;
- (g) in the reasonable discretion [*In the case of Securities governed by German law, insert:* (§ 315 BGB)] of the Calculation Agent no suitable substitute for the Index Sponsor and/or the Index Calculation Agent is available;
- (h) the determination or publication of the Underlying no longer occurs in the Underlying Currency.

"Index Sponsor" means the Index Sponsor as specified [in the "Index Sponsor" column in Table 2.1] in § 2 of the Product and Underlying Data.

"Investment Adviser" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an adviser with respect to the investment activities of the Reference Fund.

"Issue Date" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

"Issuing Agent" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

"Last Day of the Best-in Period" means the Last Day of the Best-in Period as specified [in the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with Worst-in observation, the following applies:

"Last Day of the Worst-in Period" means the Last Day of the Worst-in Period as specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Management Company" means, in relation to a Reference Fund, a person, company or institution that manages the Reference Fund according to the Fund Documents.

"Market Disruption Event" means any of the following events:

with respect to the Underlying:

- (j) the suspension or restriction of trading generally on the exchanges or markets on which the Index Components are traded;
- (k) in relation to an Index Component, the suspension or restriction of trading on the exchanges or markets on which that Index Component is traded or on the respective futures exchanges or markets on which derivatives linked to that Index Component are traded;
- (l) in relation to individual derivatives linked to the Underlying, the suspension or restriction of trading on the futures exchanges or markets on which such derivatives are traded;
- (m) the failure to calculate or the cessation or non-publication of the calculation of the Underlying as the result of a decision by the Index Sponsor or the Index Calculation Agent;

with respect to a Reference Fund:

- (n) in relation to a Reference Fund, the failure to calculate or the non-publication of the calculation of the respective NAV as the result of a decision by the respective Management Company or a Fund Services Provider on its behalf,
- (o) in relation to a Reference Fund, the closure, conversion or insolvency of the Reference Fund or other circumstances which make it impossible to determine the NAV, or
- (p) in relation to a Reference Fund, it is not possible to trade Fund Shares at the NAV, including the utilisation of provisions which suspend the redemption or issuance of Fund Shares for a particular period or restrict them to a particular portion of the volume of the Reference Fund or make them subject to the imposition of additional charges, or which permit particular assets to be segregated or payment to be made in kind instead of in cash or in the case in which payment is not made in full on the redemption of Fund Shares, and
- (q) in relation to a Reference Fund, comparable provisions which affect the ability of the Issuer to hedge its obligations under the Securities,
- (r) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Reference Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Calculation Agent.

"Maturity Date" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

"Maximum Additional Amount (k)" means the Maximum Additional Amount (k) as specified [in the "Maximum Additional Amount (k)" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Minimum Additional Amount (k)" means the Minimum Additional Amount (k) as specified [in the "Minimum Additional Amount (k)" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Minimum Amount" means the Minimum Amount as specified [in the "Minimum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"NAV" means the official net asset value (the "Net Asset Value") for a Fund Share as published by the Reference Fund or from its Management Company and at which it is actually possible to redeem Fund Shares.

"Nominal Amount" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"Observation Date" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

"Initial Observation Date" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"Initial Observation Date" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

"Observation Date (k)" means the Observation Date (k) as specified [in the "Observation Date (k)" column in Table [●]] in § 1 of the Product and Underlying Data. If the Observation Date (k) is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Observation Date (k). The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

"Participation Factor" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

"Performance of the Underlying (k)" means the performance of the Underlying (k) using the following formula:

$$1/D (k) \times (R (k) / R (\text{initial}) - \text{Strike Level})$$

"Portfolio Manager" means, in relation to a Reference Fund, a person, company or institution appointed according to the Fund Documents as an portfolio manager with respect to the investment activities of the Reference Fund. If the Fund or the Management Company specifies another person, company or institution as so specified in the "Portfolio Manager" column as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"Principal Paying Agent" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

"R (initial)" means R (initial) as specified [in the "R (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"R (initial)" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"**R (initial)**" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]

[In the case of Securities with Best-in observation, the following applies:

"**R (initial)**" means the highest Reference Price during the Best-in Period.]

[In the case of Securities with Worst-in observation, the following applies:

"**R (initial)**" means the lowest Reference Price during the Worst-in-Period.]

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

"**Redemption Amount**" means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

"**Reference Fund**" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share has a proportional interest.

"**Reference Price**" means the Reference Price of the Underlying as specified [in the "Reference Price" column in Table [●]] in § 1 of the Product and Underlying Data.

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

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Settlement Cycle**" means the number of Clearance System Business Days relating to a Security that forms the basis of the Underlying, within which settlement will customarily occur according to the rules of that Clearance System.]

"**Specified Currency**" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"**Strike**" means the Strike [as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data][R (initial) x Strike Level].]

"**Strike Level**" means the Strike Level [as specified [in the "Strike Level" column in Table [●]] in § 1 of the Product and Underlying Data].

"**Terms and Conditions**" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"**Transfer and Registration Agent**" means, in relation to a Reference Fund, a person, company or institution entrusted with maintaining the books and records with respect to the shareholders of the Reference Fund according to the Fund Documents.

"**Underlying**" means the Underlying as specified [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Underlying Currency**" means the Underlying Currency as specified [in the "Underlying Currency" column in Table 2.1] in § 2 of the Product and Underlying Data.

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

§ 2

Interest, Additional Amount

- (1) *Interest*: The Securities do not bear interest.

[In the case of Securities with a conditional Additional Amount, the following applies:

- (2) *Additional Amount*: If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Securities with an unconditional Additional Amount, the following applies:

- (2) *Additional Amount*: The Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

§ 3

Redemption

Redemption: The Securities shall be redeemed by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals the Minimum Amount.

§ 5

Issuer's Conversion Right

- (1) *Issuer's conversion right*: If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.
- (2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum

Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.
- (4) *Interest of default:* If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:]

- (5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date (k), the respective Observation Date (k) will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date (k) shall be postponed if applicable. No interest is due because of such postponement.

- (2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [*Insert time and financial centre*] on this [*Insert number of the following Banking Day*] Banking Day, taking into account the financial position of the Security Holders.

Index Concept, Adjustments, Replacement Underlying, New Index Sponsor and New Index Calculation Agent, Replacement Specification

- (1) *Index Concept*: The basis for the calculations or specifications of the Calculation Agent described in these Terms and Conditions shall be the Underlying with its provisions applicable from time to time, as developed and maintained by the Index Sponsor, as well as the respective method of calculation, determination and publication of the price of the Underlying (the "**Index Concept**") applied by the Index Sponsor. This shall also apply if during the term of the Securities changes are made or occur in respect of the Index Concept, or if other measures are taken which have an impact on the Index Concept, unless otherwise provided in the provisions below.
- (2) *Adjustments*: Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular, the ratio, the Underlying and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available NAV or the liquidation proceeds for the Reference Fund. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.
- (3) *Replacement Underlying*: In cases of an Index Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which index should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.
- (4) *New Index Sponsor and New Index Calculation Agent*: If the Underlying is no longer determined by the Index Sponsor but by another person, company or institution (the "**New Index Sponsor**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as determined by the New Index Sponsor. In this case, any reference to the Index Sponsor shall be deemed to refer to the New Index Sponsor, depending on the context. If the Underlying is no longer calculated by the Index Calculation Agent but by another person, company or institution (the "**New Index Calculation Agent**"), then all calculations or specifications described in these Terms and Conditions shall occur on the basis of the Underlying as calculated by the New Index Calculation Agent. In this case, any reference to the Index Calculation Agent shall be deemed to refer to the New Index Calculation Agent, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

- (5) *Replacement Specification*: If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index

Sponsor or the Index Calculation Agent, as the case may be, after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

- (5) *Replacement Specification:* If a price of the Underlying published by the Index Sponsor or the Index Calculation Agent, as the case may be, pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor or the Index Calculation Agent, as the case may be, after the original publication but prior to the Maturity Date, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]
- (6) If the Reference Fund is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.
- (7) If the Reference Fund is replaced by the Index Sponsor in accordance with the Index Concept by one or more other funds (in each case a "**Replacement Reference Fund**"), each and every reference to the Reference Fund in these Terms and Conditions shall be deemed, depending on the context, to refer to the respective Replacement Reference Fund. The Replacement Reference Fund shall be published pursuant to § 6 of the General Conditions.]

Option 11: Garant Telescope Securities

[Option 11: In the case of Garant Telescope Securities, the following applies:]

§ 1

Definitions

"**Additional Amount (k)**" means the Additional Amount (k) as calculated or determined by the Calculation Agent pursuant to § 2 of the Special Conditions.

"**Additional Amount Payment Date (k)**" means the Additional Amount Payment Date (k) as specified [in the "Additional Amount Payment Date (k)" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Adjustment Event**" means in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent any of the following events occurring on or after the First Trade Date:

- (a) changes are made in one of the Fund Documents without the consent of the Calculation Agent which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent affect the ability of the Issuer to hedge its obligations under the Securities, in particular changes with respect to (i) the risk profile of the Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Fund, (iii) the currency of the Fund Shares, (iv) the method of calculating the NAV or (v) the timetable for the subscription, issue, redemption and/or transfer of the Fund Shares;
- (b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- (c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees already charged on the First Trade Date);
- (d) the Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Fund or the Management Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- (e) a change in the legal form of the Fund;
- (f) a change of significant individuals in key positions at the Management Company or in the Fund Management;
- (g) (i) a change in the legal, accounting, tax or regulatory treatment of the Fund or of the Management Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Fund or of the Management Company; or (iii) the suspension, cancellation, revocation or absence of a corresponding authorisation of the Fund or of the Management Company by the relevant authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Fund, the Management Company or a Fund Services Provider, or of individuals in key positions at the Management Company or in the Fund Management as a result of misconduct, a violation of the law or for similar reasons;
- (h) a breach of the investment objectives, the investment strategy or the investment restrictions of the Fund (as defined in the Fund Documents) by the Fund or the Management Company that is material in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] or a breach of statutory or regulatory requirements by the Fund or the Management Company;

- (i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], requires the Issuer, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Issuer with respect to complying with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities to an extent that, in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], is significant in comparison with the conditions applying on the First Trade Date;
- (j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Issuer with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Securities would become unlawful or impracticable or would entail substantially higher costs;
- (k) an increase in the proportion of the volume held by the Issuer alone or together with a third party with which the Issuer enters into a hedging transaction with respect to the Securities beyond [*Insert relevant percentage*]% of the outstanding Fund Shares;
- (l) the Issuer is required to consolidate the Fund as a result of accounting or other regulations;
- (m) the sale or redemption of the Fund Shares for mandatory reasons affecting the Issuer, provided that this is not solely for the purpose of entering into or unwinding hedging transactions;
- (n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of so-called side pockets for segregated assets;
- (o) the Management Company or a Fund Services Provider discontinues its services for the Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another services provider which in the reasonable discretion of the Calculation Agent [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] is of similarly good standing;
- (p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Fund or the merger of the Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- (q) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Fund or the Management Company;
- (r) the Issuer loses the right to use the Fund as the Underlying for the Securities;
- (s) a change in the tax laws and regulations or changes in relevant case law or administrative practice of the tax authorities which has negative consequences for the Issuer or a Security Holder in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent;
- (t) no notification is given of the bases of taxation for the Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz, "InvStG"*) or the Fund or

the Management Company has announced that no notification of the bases of taxation will be given in accordance with § 5 (1) InvStG in the future;

- (u) changes in the investment or distribution policy of the Fund which could have a substantial negative effect on the amount of the Fund's distributions as well as distributions which diverge significantly from the Fund's normal distribution policy to date;
- (v) the Fund or the Management Company or a company affiliated to it breaches the agreement entered into with the Issuer in relation to the Fund in a significant respect or terminates that agreement;
- (w) the Fund or the Management Company, contrary to normal practice to date, fails to provide the Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Fund's investment guidelines or restrictions in a timely manner;
- (x) the Fund and/or the Management Company fails to provide the Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- (y) any other event that could have a noticeable adverse effect on the NAV of the Fund or on the ability of the Issuer to hedge its obligations under the Securities on more than a temporary basis;
- (z) the NAV is no longer published in the Underlying Currency[;][.]
- [(aa) the historic volatility of the Underlying exceeds a volatility level of *[Insert]*%. The volatility is calculated on a Calculation Date on the basis of the daily logarithmic returns of the Underlying over the immediately preceding *[Insert number of days]* Calculation Dates in each case using the following formula:

$$\sigma(t) = \sqrt{\frac{\sum_{p=1}^P \left[\ln \left[\frac{NAV(t-p)}{NAV(t-p-1)} \right] - \frac{1}{P} \times \left(\sum_{q=1}^P \ln \left[\frac{NAV(t-q)}{NAV(t-q-1)} \right] \right) \right]^2}{P-1}} \times \sqrt{252}$$

Where:

"**t**" is the relevant Calculation Date;

"**P**" is *[Insert number of days]*;

"**NAV (t-k)**" (with k = p, q) is the NAV of the Underlying on the k-th Calculation Date preceding the relevant Calculation Date (t);

"**ln [x]**" denotes the natural logarithm of x.

The degree of variation (volatility) is estimated on a relevant Calculation Date using the daily returns of the Underlying for the most recent *[Insert number of days]* Calculation Dates and standardised to produce an annual volatility level. The return is defined as the logarithm of the change in the NAV between two consecutive Calculation Dates. The volatility determined using this method may not exceed a volatility level of *[Insert]*%.

The Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred.

"**Administrator**" means the Administrator [if specified [in the "Administrator" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as the Administrator of the Fund [as so specified in the "Administrator" column], each and every reference to the Administrator in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Administrator.

"**Aggregate Nominal Amount**" means the Aggregate Nominal Amount of the Series as specified [in the "Aggregate Nominal Amount" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Auditor**" means the Auditor [if specified [in the "Auditor" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution as the Auditor of the Fund, each and every reference to the Auditor in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Auditor.

[In the case of Securities where the Specified Currency is the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) ("**TARGET2**") are open for business.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System is open for business and commercial banks and foreign exchange markets settle payments in the Banking Day Financial Centre.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:

"**Banking Day Financial Centre**" means the Banking Day Financial Centre as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

"**Best-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Best-in Period (inclusive)].

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

"**Calculation Date**" means each day on which the Reference Price is normally published by the Fund or the Management Company.

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

- (a) the adoption of or any changes in laws or regulations (including but not limited to tax laws or capital market regulations) or
- (b) a change in relevant case law or administrative practice (including but not limited to the administrative practice of the tax or financial supervisory authorities),

in the reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)] of the Issuer

- (a) the holding, acquisition or sale of the Underlying or of assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer or
- (b) the costs associated with the obligations under the Securities have increased substantially (including but not limited to an increase in tax obligations, the reduction of tax benefits or other negative consequences with regard to tax treatment),

if such changes become effective on or after the First Trade Date of the Securities.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"**Clearance System**" means the principal domestic clearance system customarily used for settling subscriptions or redemptions of Fund Shares and specified by the Calculation Agent in its reasonable discretion [In the case of Securities governed by German law, insert: (§ 315 BGB)].

"**Clearance System Business Day**" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.]

[In the case of Securities with CBF as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking AG, Frankfurt am Main ("CBF").]

[In the case of Securities with CBL and Euroclear Bank as Clearing System, the following applies:

"**Clearing System**" means Clearstream Banking S.A., Luxembourg ("**CBL**") and Euroclear Bank SA/NV ("**Euroclear Bank**") (CBL and Euroclear are individually referred to as an "**ICSD**" (International Central Securities Depository) and, collectively, the "**ICSDs**").]

[In the case of Securities with another Clearing System, the following applies:

"**Clearing System**" means *[Insert other Clearing System(s)].*

"**Conversion Event**" means a Fund Conversion Event.

"**Custodian Bank**" means the Custodian Bank [if specified [in the "Custodian Bank" column in Table 2.2] in § 2 of the Product and Underlying Data]] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Custodian Bank" column] as the Custodian Bank of the Fund, each and every reference to the Custodian Bank in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Custodian Bank.

"**D (k)**" means the denominator attributed to the respective Observation Date (k) as specified [in the "D (k)" column in Table [●]] in § 1 of the Product and Underlying Data.

"**First Trade Date**" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"**First Day of the Distribution Observation Period**" means the first Initial Observation Date.]

"**Fund**" means, in relation to a Fund Share, the investment fund issuing that Fund Share or the investment fund in whose assets the Fund Share represents a proportional interest.

A "**Fund Conversion Event**" means each of the following events:

- (a) an adjustment pursuant to § 8 (1) of the Special Conditions is not possible or not justifiable with regard to the Issuer and/or the Security Holders (each a "**Fund Replacement Event**");.
- (b) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Underlying is available;
- (c) in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent no Replacement Management Company is available;
- (d) a Change in Law and/or a Hedging Disruption and/or Increased Costs of Hedging occur.

"**Fund Documents**" means, in relation to the Fund, in each case, if available and in the respective most recent version: the annual report, the half-yearly report[, interim reports], the sales prospectus, the terms and conditions of the Fund if applicable the articles of association, the key investor information and all other documents of the Fund in which the terms and conditions of the Fund and of the Fund Shares are specified.

"**Fund Management**" means the persons responsible for the portfolio and/or risk management of the Fund.

"**Fund Services Provider**" means, if applicable, the Administrator, the Auditor, the Investment Adviser, the Custodian Bank, the Management Company and the Portfolio Manager.

"**Fund Share**" means a unit or share of the Fund and the class set out [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"Hedging Disruption" means that the Issuer is not able, under conditions which are substantially the same in financial terms as those applying on the First Trade Date for the Securities, to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Issuer are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets.

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

"Increased Costs of Hedging" means that the Issuer has to pay a substantially higher amount of taxes, duties, expenses and fees (with the exception of broker fees) compared to the First Trade Date in order to

- (a) close, continue or carry out transactions or acquire, exchange, hold or sell assets which in the reasonable discretion of the Issuer [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] are needed in order to hedge price risks or other risks with regard to its obligations under the Securities, or
- (b) realise, reclaim or pass on proceeds from such transactions or assets,

with increased costs due to a deterioration of the creditworthiness of the Issuer not to be considered as Increased Costs of Hedging.

"Investment Adviser" means the Investment Adviser [if specified [in the "Investment Adviser" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Investment Adviser" column] as the Investment Adviser of the Fund, each and every reference to the Investment Adviser in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Investment Adviser.

"Issue Date" means the Issue Date as specified in § 1 of the Product and Underlying Data.

[In the case of an Issuing Agent, the following applies:

"Issuing Agent" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.]

[In the case of Securities with Best-in observation, the following applies:

"Last Day of the Best-in Period" means the Last Day of the Best-in Period as specified [in the "Last Day of the Best-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"Last Day of the Distribution Observation Period" means the last Final Observation Date.]

[In the case of Securities with Worst-in observation, the following applies:

"Last Day of the Worst-in Period" means the Last Day of the Worst-in Period as specified [in the "Last Day of the Worst-in Period" column in Table [●]] in § 1 of the Product and Underlying Data.]

"Management Company" means the Management Company [if specified [in the "Management Company" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund specifies another person, company or institution [as so specified in the "Management Company" column] as the Management Company of the Fund, each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Management Company.

"Market Disruption Event" means any of the following events:

- (a) the failure to calculate or non-publication of the calculation of the NAV as the result of a decision by the Management Company or a Fund Services Provider on its behalf,
- (b) the closure, conversion or insolvency of the Underlying or other circumstances which make it impossible to determine the NAV, or
- (c) it is not possible to trade Fund Shares at the NAV. This also covers cases in which the Fund or the Management Company or the Fund Services Provider on their behalf decides to suspend the redemption or issue of the Fund Shares for a specified period or to restrict the redemption or issue of the Fund Shares to a specified portion of the volume of the Fund or to levy additional fees, or
- (d) the Fund or the Management Company redeems the Fund Shares in return for payment in kind instead of payment in cash, or
- (e) comparable events which affect the ability of the Issuer to hedge its obligations under the Securities, or
- (f) the suspension or restriction of trading generally on exchanges, futures exchanges or markets on which financial instruments or currencies which constitute a significant factor affecting the value of the Fund are listed or traded,

to the extent that that event is material in the reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] of the Calculation Agent.

"**Maturity Date**" means the Maturity Date as specified [in the "Maturity Date" column in Table [●]] in § 1 of the Product and Underlying Data.

"**Maximum Additional Amount (k)**" means the Maximum Additional Amount (k) as specified [in the "Maximum Additional Amount (k)" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Minimum Additional Amount (k)**" means the Minimum Additional Amount (k) as specified [in the "Minimum Additional Amount (k)" column in Table [●]] in § 1 of the Product and Underlying Data.]

"**Minimum Amount**" means the Minimum Amount as specified [in the "Minimum Amount" column in Table [●]] in § 1 of the Product and Underlying Data.

"**NAV**" means the official net asset value (the "**Net Asset Value**") for a Fund Share as published by the Fund or the Management Company or by a third person on their behalf and at which it is actually possible to redeem Fund Shares.

"**Nominal Amount**" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"**Observation Date**" means each of the following Observation Dates:

[In the case of Securities with an initial reference price observation, the following applies:

"**Initial Observation Date**" means the Initial Observation Date as specified [in the "Initial Observation Date" column in Table [●]] in § 1 of the Product and Underlying Data. If the Initial Observation Date is not a Calculation Date, then the immediately following Banking Day which is a Calculation Date shall be the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

"**Initial Observation Date**" means each of the Initial Observation Dates specified [in the "Initial Observation Dates" column in Table [●]] in § 1 of the Product and Underlying Data. If an Initial Observation Date is not a Calculation Date, then the next following Banking Day which is a Calculation Date shall be the corresponding Initial Observation Date.]

"**Observation Date (k)**" means the Observation Date (k) as specified [in the "Observation Date (k)" column in Table [●]] in § 1 of the Product and Underlying Data. If the Observation Date (k) is not a Calculation Date, then the immediately following Banking Day which is a

Calculation Date shall be the Observation Date (k). The Additional Amount Payment Date (k) will be postponed accordingly. Interest shall not be paid for such a postponement.

"Participation Factor" means the Participation Factor as specified [in the "Participation Factor" column in Table [●]] in § 1 of the Product and Underlying Data.

"Performance of the Underlying (k)" means the performance of the Underlying (k) using the following formula:

$$1/D(k) \times (R(k) / R(\text{initial}) - \text{Strike Level})$$

"Portfolio Manager" means the Portfolio Manager [if specified [in the "Portfolio Manager" column in Table 2.2] in § 2 of the Product and Underlying Data] [as specified in the Fund Documents] [of the Fund]. If the Fund or the Management Company specifies another person, company or institution [as so specified in the "Portfolio Manager" column] as the Portfolio Manager of the Fund, each and every reference to the Portfolio Manager in these Terms and Conditions shall be deemed, depending on the context, to refer to the new Portfolio Manager.

"Principal Paying Agent" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

[In the case of Securities where R (initial) has already been specified, the following applies:

"R (initial)" means R (initial) as specified [in the "R (initial)" column in Table [●]] in § 1 of the Product and Underlying Data.]

[In the case of Securities with an initial reference price observation, the following applies:

"R (initial)" means the Reference Price on the Initial Observation Date.]

[In the case of Securities with an initial average observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (initial)" means the equally weighted average of the products of Reference Prices and Reference Price Adjustment Factors determined on the Initial Observation Dates.]

[In other cases, the following applies:

"R (initial)" means the equally weighted average of the Reference Prices determined on the Initial Observation Dates.]]

[In the case of Securities with Best-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (initial)" means the highest value of the product of Reference Price and Reference Price Adjustment Factor during the Best-in Period.]

[In other cases, the following applies:

"R (initial)" means the highest Reference Price during the Best-in Period.]]

[In the case of Securities with Worst-in observation, the following applies:

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"R (initial)" means the lowest value of the product of Reference Price and Reference Price Adjustment Factor during the Worst-in-Period.]

[In other cases, the following applies:

"R (initial)" means the lowest Reference Price during the Worst-in Period.]]

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

"Redemption Amount" means the Redemption Amount as calculated or determined by the Calculation Agent pursuant to § 4 of the Special Conditions.

"Reference Price" means the Reference Price of the Underlying as specified [in the "Reference Price" column in Table [●]] in § 1 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"Reference Price Adjustment Factor" means, in relation to an Observation Date, the product of all the Underlying Distribution Factors for which the Underlying Distribution Ex-Date falls into [the period] [the time] between the First Day of the Distribution Observation Period (exclusive) and the respective Observation Date (inclusive).]

"Security Holder" means the holder of a Security.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

"Settlement Cycle" means the number of Clearance System Business Days within which settlement of subscriptions or redemptions of Fund Shares will customarily occur according to the rules of that Clearance System.]

"Specified Currency" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

[**"Strike"** means the Strike [as specified [in the "Strike" column in Table [●]] in § 1 of the Product and Underlying Data][R (initial) x Strike Level].]

"Strike Level" means the Strike Level [as specified [in the "Strike Level" column in Table [●]] in § 1 of the Product and Underlying Data].

"Terms and Conditions" means these Terms and Conditions as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"Underlying" means a Fund Share as specified [in the "Underlying" column in Table [●]] in § 1 of the Product and Underlying Data.

"Underlying Currency" means the Underlying Currency as specified [in the "Underlying Currency" column in Table 2.2] in § 2 of the Product and Underlying Data.

[In the case of Securities where distributions by the Underlying are retained and where the Underlying Currency is the same as the Specified Currency, the following applies:

"Underlying Distribution" means each cash distribution specified by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] that is declared and paid by the Fund or the Management Company in respect of the Underlying.

"Underlying Distribution Date" means, in relation to an Underlying Distribution, the Calculation Date immediately prior to the respective Underlying Distribution Ex-Date.

"Underlying Distribution Ex-Date" means, in relation to an Underlying Distribution, the first day on which the NAV is published having been reduced by that Underlying Distribution.

"Underlying Distribution Factor" means the Underlying Distribution Factor calculated by the Calculation Agent in respect of each Underlying Distribution Ex-Date within the Underlying Distribution Observation Period as the total of (i) one and (ii) the quotient of the respective Underlying Distribution (net) and the NAV on the respective Underlying Distribution Date.

"Underlying Distribution (net)" means, in relation to an Underlying Distribution, that Underlying Distribution less an amount determined by the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] equal to the taxes, levies, retentions, deductions or other charges that would arise with respect to the cash distribution for a private investor fully liable to tax in Germany if he were the holder of the Underlying.

"**Underlying Distribution Observation Period**" means each Calculation Date between the First Day of the Distribution Observation Period (exclusive) and the Last Day of the Distribution Observation Period.]

"**Website[s] of the Issuer**" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"**Website[s] for Notices**" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

[In the case of Securities with Worst-in observation, the following applies:

"**Worst-in Period**" means [Insert relevant day(s)] between the Initial Observation Date (inclusive) and the Last Day of the Worst-in Period (inclusive).]

§ 2

Interest, Additional Amount

(1) *Interest:* The Securities do not bear interest.

[In the case of Securities with an conditional Additional Amount, the following applies:

(2) *Additional Amount:* If an Income Payment Event has occurred, the Additional Amount (k) will be paid on the respective Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[The Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

[In the case of Securities with an unconditional Additional Amount, the following applies:

(2) *Additional Amount:* The corresponding Additional Amount (k) will be paid on the Additional Amount Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions. The Additional Amount (k) will be determined using the following formula:

Additional Amount (k) = Nominal Amount x Participation Factor x Performance of the Underlying (k).

[However, the Additional Amount (k) is not greater than the relevant Maximum Additional Amount (k).]

However, the Additional Amount (k) is not less than the relevant Minimum Additional Amount (k).]

§ 3

Redemption

Redemption: The Securities shall be redeemed by payment of the Redemption Amount on the Maturity Date pursuant to the provisions of § 6 of the Special Conditions.

§ 4

Redemption Amount

Redemption Amount: The Redemption Amount equals the Minimum Amount.

§ 5

Issuer's Conversion Right

(1) Issuer's conversion right: If a Conversion Event occurs, the Securities will be redeemed on the Maturity Date at the Settlement Amount.

(2) For the purpose of determining the "**Settlement Amount**", the Calculation Agent will, in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*], determine the market value of the Securities within ten Banking Days following the occurrence of the Conversion Event, adding accrued interest for the period until the Maturity Date on the basis of the market rate of interest being traded at the time of that determination for liabilities of the Issuer with the same remaining term as the Securities. However, the Settlement Amount will be at least equal to the Minimum Amount. If it is not possible to determine the market value of the Securities, the Settlement Amount is equal to the Minimum Amount. The Settlement Amount will be published by means of a notice given in accordance with § 6 of the General Conditions.

The Settlement Amount will be paid pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

[In the case of Securities where the Specified Currency is the Euro, the following applies:]

(1) *Rounding*: The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.]

[In the case of Securities where the Specified Currency is not the Euro, the following applies:]

(1) *Rounding*: The amounts payable under these Terms and Conditions shall be rounded up or down to the smallest unit of the Specified Currency, with 0.5 of such unit being rounded upwards.]

(2) *Business day convention*: If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.

(3) *Manner of payment, discharge*: All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the Custodian Banks and transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such payment.

(4) *Interest of default*: If the Issuer fails to make any payment under the Securities when due, accrual of interest on due amounts continues on the basis of the default interest rate established by law. Such accrual of interest starts on the day following the due date for that payment (inclusive) and ends on the effective date of payment (inclusive).

[In the case of Securities with a Temporary Global Note which will be exchangeable for a Permanent Global Note, the following applies:]

(5) Payments of Interest Amounts on the Securities shall be made only upon delivery of the Non-U.S. Beneficial Ownership Certificates (as described in § 1 of the General Conditions) by the relevant participants to the Clearing System.]

§ 7

Market Disruption Events

(1) *Postponement*: Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date (k), the respective Observation Date (k) will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date (k) shall be postponed if applicable. No interest is due because of such postponement.

(2) *Discretionary valuation:* Should the Market Disruption Event continue for more than [Insert number of Banking Days] consecutive Banking Days, the Calculation Agent shall determine in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] the respective Reference Price required for the calculation or specification of the Redemption Amount. Such Reference Price shall be determined in accordance with prevailing market conditions at [Insert time and financial centre] on this [Insert number of the following Banking Day] Banking Day, taking into account the financial position of the Security Holders.

§ 8

Index Concept, Adjustments, Replacement Underlying, Replacement Management Company, Replacement Specification

(1) *Adjustments:* Upon the occurrence of an Adjustment Event the Calculation Agent shall in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] adjust these Terms and Conditions (in particular, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent on the basis of these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. For this purpose, the Calculation Agent will take into account the remaining term of the Securities as well as the latest available price for the Underlying. In making the adjustment, the Calculation Agent will take into account additional direct or indirect costs incurred by the Issuer in the course of or in connection with the respective Adjustment Event, including, inter alia, taxes, retentions, deductions or other charges borne by the Issuer. The adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions.

(2) *Replacement Underlying:* In cases of a Fund Replacement Event, the adjustment usually entails the Calculation Agent in its reasonable discretion [*In the case of Securities governed by German law, insert: (§ 315 BGB)*] determining which Fund or Fund Share should be used in the future as the Underlying (the "**Replacement Underlying**"). If necessary, the Calculation Agent will make further adjustments to these Terms and Conditions (in particular to the Underlying, the ratio and/or all prices of the Underlying specified by the Issuer) and/or all prices of the Underlying determined by the Calculation Agent pursuant to these Terms and Conditions in such a way that the financial position of the Security Holders remains unchanged to the greatest extent possible. The Replacement Underlying and the adjustments made and the time of their initial application will be published in accordance with § 6 of the General Conditions. Commencing with the first application of the Replacement Underlying, any reference to the Underlying in these Terms and Conditions shall be deemed to refer to the Replacement Underlying, unless the context provides otherwise.

[In the case of Securities where the Replacement Specification takes place within the Settlement Cycle, the following applies:

(3) *Replacement Specification:* If an NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but still within a Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

[In the case of Securities where the Replacement Specification takes place independently of the Settlement Cycle, the following applies:

(3) *Replacement Specification:* If an NAV, as used by the Calculation Agent pursuant to these Terms and Conditions, is subsequently corrected and the correction (the "**Corrected Value**") is published by the Management Company after the original publication but prior to the Maturity Date, then

the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall specify the relevant value again using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions. However, if the Calculation Agent is informed of the Corrected Value less than two Banking Days prior to the date on which a payment is to be made whose amount is determined wholly or partly with reference to this price of the Underlying, then the relevant value will not be specified again.]

(4) If the Underlying is no longer managed by the Management Company but by another person, company or institution (the "**Replacement Management Company**"), each and every reference to the Management Company in these Terms and Conditions shall be deemed, depending on the context, to refer to the Replacement Management Company. The Replacement Management Company shall be published in accordance with § 6 of the General Conditions.

DESCRIPTION OF INDICES COMPOSED BY THE ISSUER OR BY ANY LEGAL ENTITY BELONGING TO THE SAME GROUP

The description of indices composed by the Issuer or by any legal entity belonging to the same group included in the base prospectus of UniCredit Bank AG dated 21 February 2014 for the issuance of Worst-of Bonus Securities, Worst-of Express Securities and Worst-of Express Cash Collect Securities is hereby incorporated by reference into this Base Prospectus. A list setting out the information incorporated by reference is provided on page 369 et seq.

Description of HVB Multi manager Best Select Flex Index

The following Index Description outlines the key data for the "**HVB Multi Manager Best Select Flex Index**" (the "**HVB Multi Manager Best Select Flex Index**") compiled by the Issuer. This description is subject to amendments or adjustments from time to time after the date of this Base Prospectus in relation to which the Issuer will publish a related supplement to this Base Prospectus.

The HVB Multi Manager Best Select Flex Index (WKN A1YD46 / ISIN DE000A1YD465) (the "**Index**") is an index developed and designed by UniCredit Bank AG, Munich, Germany, or any successor thereto (the "**Index Sponsor**") and calculated by UniCredit Bank AG, Munich, Germany, or any successor determined by the Index Sponsor (the "**Index Calculation Agent**") in euro (the "**Index Currency**") in accordance with the index rules set out below (the "**Index Rules**") whose objective is to participate in the performance of the Reference Fund, while aiming to control the frequency and degree of fluctuations in the value (volatility) of the Reference Portfolio (the "**Objective of the Index**").

Section A. - Definitions, general information

I. Definitions

For the purposes of this description (the "**Index Description**"), the following terms have the following meanings:

Definitions regarding the Index:

"**Hedging Transactions**" means one or more trades, transactions or investments (especially securities (including Fund Shares), options, futures, derivatives and foreign currency transactions, repos or securities lending transactions or other instruments or measures) which are required for an Issuer and/or any Hedging Party to hedge price risks or other risks at standalone or portfolio basis arising from obligations with regard to the Index or with regard to Debt Securities or other financial instruments linked to the Index (i.e. financial instruments whose payments are linked to the performance of the Index). The Index Sponsor will determine in its reasonable discretion (section 315 of the German Civil Code (*Bürgerliches Gesetzbuch*; "**BGB**")) whether any such Hedging Transactions are required.

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the principal domestic clearance system customarily used to settle trades regarding the Index Components and the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) are open.

"**Issuer**" means an issuer of Debt Securities.

"**Fund Event**" means any event defined as a Fund Event in *Section D. - I. General extraordinary adjustments of this Index Description*.

"**Money Market Investment**" means a hypothetical investment in cash and money market instruments from the European single currency area. The performance of this investment is reflected by the Reference Index.

"**Hedging Party**" means the Index Sponsor (as at the Index Start Date). The Index Sponsor is entitled at any time to appoint another person or company to act as Hedging Party (the "**Successor Hedging Party**"). The appointment of a Successor Hedging Party will be published in accordance with *Section F. - Publication of this Index Description*.

"**Hypothetical Investor**" means, in relation to any Fund Shares, a hypothetical investor in such Fund Shares which (i) has the legal form of a company incorporated in Germany, (ii) is deemed, with re-

spect 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 investor in relation to the subscription and redemption of Fund Shares as at the relevant Index Valuation Date.

"**Index(t_j)**" means the Index Value at Index Valuation Date t_j . Index (t_j) is calculated by the Index Calculation Agent for every Index Valuation Date t_j in accordance with the provisions set forth in *Section C. - Calculation of the Index of this Index Description*.

"**Index Components**" means the Fund Shares included in the Index at any given time and the Reference Index.

"**Index Valuation Date**" means any Banking Day that is a Reference Index Calculation Date and on which it is actually possible to issue and redeem Fund Shares as described in the Fund Documents.

"**Index Event**" means any event defined as an Index Event in *Section D. - I. General extraordinary adjustments of this Index Description*.

"**Index Start Date**" means 4 March 2014.

"**Index Initial Value**" means 100.00.

"**Index Value**" means the value (expressed in euro) of the Index on any given Index Valuation Date as calculated by the Index Calculation Agent.

"**Reference Portfolio**" means a hypothetical portfolio of the Hypothetical Investor which contains both Fund Shares and the Money Market Investment in variable weightings. The Reference Portfolio has a value at the Index Start Date equal to the Index Initial Value (expressed in euro).

"**Debt Securities**" means all outstanding debt securities of a company affiliated with the Index Sponsor (section 15 of the German Stock Corporation Act (*Aktiengesetz*)) at a given time for which payment of principal and/or interest depends on the performance of the Index.

" t_j " means the j -th Index Valuation Date. The Index Start Date is shown as t_0 , previous Index Valuation Dates are numbered with negative indices and subsequent Index Valuation Dates are numbered with positive indices, resulting in (... , t_{-2} , t_{-1} , t_0 , t_1 , t_2 , ...).

" t_{j-p} " means the p -th Index Valuation Date prior to the Index Valuation Date t_j .

" t_{j-p-2} " means the second Index Valuation Date prior to the Index Valuation Date t_{j-p} .

" t_{j-p-3} " means the third Index Valuation Date prior to the Index Valuation Date t_{j-p} .

" t^*_j " or "Reinvestment Date" means, in relation to a Distribution, the Index Valuation Date immediately following the relevant Distribution Payment Date.

Definitions regarding the Reference Fund:

"**Auditor**" means Deloitte & Touche GmbH and/or any other auditor appointed by the Management Company to audit the Reference Fund and its annual financial statements.

"**Distribution**" means a cash distribution which the Reference Fund would pay per Fund Share to the Hypothetical Investor on a Distribution Payment Date.

"**Distribution Payment Date**" means, in relation to a Distribution, the day on which such Distribution would be received by the Hypothetical Investor.

"**d(t_j)**" means either (i) $d(t^*_j)$ on each Index Valuation Date t_j between any Ex-Date (inclusive) and the corresponding Reinvestment Date t^*_j (exclusive) or (ii) zero on any other Index Valuation Date t_j .

"**d(t^*_j)**" means the present value (in euro) of the relevant Distribution (less costs and taxes, if any, incurred by the Hypothetical Investor in relation to the Distribution) as at the Ex-Date immediately preceding the relevant Reinvestment Date t^*_j .

"**Ex-Date**" means, in relation to a Distribution, the first day on which the Net Asset Value is published by the Management Company, having been reduced by that Distribution.

"**Fund Share**" or "**Fund Shares**" means a share or shares in the Reference Fund (WKN A1W9BL / ISIN DE000A1W9BL3).

"**Fund Services Provider**" means the Auditor, the Custodian Bank or the Management Company.

"**Fund Documents**" means the annual report and the half-yearly report, the prospectus (including fund rules), the key investor information and all other documents of the Reference Fund which specify the terms and conditions of the Reference Fund and the Fund Shares, as amended. The Fund Documents, as amended, are available on the website www.pioneerinvestments.de (or any successor site). The information contained therein is also maintained by UniCredit Bank AG, LCD7SR, Arabellastraße 12, 81925 Munich, Germany, to be issued to the public free of charge during normal business hours.

"**Fund Management**" means the persons responsible for the portfolio and/or risk management of the Reference Fund.

"**Net Asset Value**" or "**NAV**" means the official net asset value for a Fund Share, as published by the Management Company and at which it is actually possible to redeem Fund Shares.

"**NAV(t_j)**" means the Net Asset Value of a Fund Share on Index Valuation Date t_j.

"**NAV(t_{j-1})**" means the Net Asset Value of a Fund Share on Index Valuation Date t_{j-1}.

"**NAV(t^{*}_j)**" means the Net Asset Value of a Fund Share on Reinvestment Date t^{*}_j.

"**NAV^A(t_j)**" means the Net Asset Value of a Fund Share on Index Valuation Date t_j, after taking account of all Distributions made and reinvested, if applicable, up to such Index Valuation Date t_j, which is calculated by the Index Calculation Agent in accordance with the formula specified in *Section C. – I. Calculation of the Index Value*.

"**NAV^A(t_{j-1})**" means the Net Asset Value of a Fund Share on Index Valuation Date t_{j-1}, after taking account of all Distributions made and reinvested, if applicable, up to such Index Valuation Date t_{j-1}, which is calculated by the Index Calculation Agent on the basis of the formula specified in *Section C. – I. Calculation of the Index Value* for the purposes of calculating NAV^A(t_j).

"**NAV^A(t_{j-p-2})**" means the Net Asset Value of a Fund Share on Index Valuation Date t_{j-p-2}, after taking account of all Distributions made and reinvested, if applicable, up to such Index Valuation Date t_{j-p-2}, which is calculated by the Index Calculation Agent on the basis of the formula specified in *Section C. – I. Calculation of the Index Value* for the purposes of calculating NAV^A(t_j).

"**NAV^A(t_{j-p-3})**" means the Net Asset Value of a Fund Share on Index Valuation Date t_{j-p-3}, after taking account of all Distributions made and reinvested, if applicable, up to such Index Valuation Date t_{j-p-3}, which is calculated by the Index Calculation Agent on the basis of the formula specified in *Section C. – I. Calculation of the Index Value* for the purposes of calculating NAV^A(t_j).

"**n(t_j)**" means the distribution factor for the Index Valuation Date t_j. On the Index Start Date t₀, a value of 1.00 is set for the distribution factor (n(t₀)). Thereafter, the distribution factor is recalculated by the Index Calculation Agent on each Reinvestment Date t^{*}_j in accordance with the provisions set out in *Section C. – II. Adjustment of the distribution factor*.

" **$\tilde{n}(t^*_j)$** " means the distribution factor n(t_j) immediately prior to the Reinvestment Date t^{*}_j.

"**Reference Fund**" means Pioneer Investments Multi Manager Best Select.

"**Custodian Bank**" means CACEIS Bank Deutschland GmbH and/or any other company appointed by the Management Company to perform custodial, accounting, settlement or similar services for the Reference Fund.

"**Management Company**" means Pioneer Investments Kapitalanlagegesellschaft mbH, which manages the Reference Fund.

Definitions regarding the Reference Index:

"**Reference Index**" means the HVB 3 Months Rolling Euribor Index (WKN A0QZBZ / ISIN DE000A0QZBZ6 / Reuters .HVB3MRE / Bloomberg HVB3MRE Index), as determined and calculated by UniCredit Bank AG (the "**Reference Index Sponsor**").

"Reference Index Calculation Agent" means UniCredit Bank AG, Munich, Germany.

"Reference Index Calculation Date" means each day (other than a Saturday or Sunday) on which the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) is open.

"Reference Index Description" means the description of the Reference Index. A current version of the Reference Index Description, as amended, is published on the website www.onemarkets.de (or any successor site).

"Reference Index Value" means the value (expressed in euro) of the Reference Index calculated by the Reference Index Calculation Agent on the basis of the method described in the Reference Index Description at any Reference Index Calculation Date.

"RIV(t_j)" means the Reference Index Value on Index Valuation Date t_j .

"RIV(t_{j-1})" means the Reference Index Value on Index Valuation Date t_{j-1} .

"Reference Index Structuring Fee" or **"FRI"** means a rate by which the performance of the Reference Index is reduced. The Reference Index Structuring Fee is 1.00% per annum (FRI = 1.00%).

II. General information, disclaimer

The information regarding the Reference Fund included in this Index Description is intended solely to inform investors wishing to buy Debt Securities and does not constitute a solicitation to buy Fund Shares. Each investor must make its own assessment of the merits of the Reference Fund. When calculating the Index Value, the Index Calculation Agent must rely upon statements, confirmations, computations, assurances and other information provided by third parties, the correctness and reliability of which it largely does not verify and for the correctness of which it accepts no responsibility. Any inaccuracies contained in such information may have an impact on the calculation of the Index Value without any fault attaching to the Index Calculation Agent. Neither the Index Sponsor nor the Index Calculation Agent has any obligation to verify this information independently.

The Index exists exclusively in the form of sets of data records and does not convey any direct or indirect beneficial or legal interest or ownership in the Index Components. Each of the allocations described herein within the Reference Portfolio is only carried out hypothetically by modifying such records. The Index Sponsor, the Index Calculation Agent, any Issuer and the Hedging Party are under no obligation to directly or indirectly acquire the Index Components. Fees, if any, received by the Index Sponsor in its capacity as Hedging Party from the Management Company in relation to holdings in the Reference Fund will not be distributed to the holders of Debt Securities or reinvested in the Index, but will be taken into account by the Index Sponsor in its internal pricing models by means of lower costs for the earnings mechanism. Distributions made by the Reference Fund will not be distributed to the holders of Debt Securities, but will be reinvested in the Index.

Section B. - General information regarding the Index

I. Objective of the Index

The Index reflects the performance of the Reference Portfolio.

For the purposes of pursuing the Objective of the Index, the participation in the Reference Fund will be reduced in part or in full in the event of high volatility of the Reference Fund (volatility is an indicator of the frequency and degree of fluctuations in value), and the participation in the Money Market Investment will be increased accordingly. Conversely, the participation in the Money Market Investment will be reduced in part or in full in the event of low volatility of the Reference Fund, and the participation in the Reference Fund will be increased accordingly.

However, there is no guarantee that the Reference Portfolio and hence the Index will achieve the objectives described here.

II. Index Sponsor and Index Calculation Agent

The Index Sponsor sets up the Index by selecting the Index Components and by determining the method used to calculate and publish the Index Value (the **"Index Concept"**). The Index Sponsor will make

any decisions, determinations and definitions with regard to the Index in its reasonable discretion (section 315 BGB).

The Index Calculation Agent conducts all calculations with the regard to the Index in accordance with this Index Description, and monitors and updates certain index data for this purpose. The Index Calculation Agent will act with the due care of a prudent businessman (*Sorgfalt eines ordentlichen Kaufmannes*) in performing its duties in accordance with this Index Description. The Index Sponsor and the Index Calculation Agent accept no liability except in the event of wilful misconduct or gross negligence.

The Index Calculation Agent may at any time seek advice from third parties with regard to its obligations described herein. The Index Calculation Agent may resign at any time, provided that, for as long as Debt Securities are still outstanding, the resignation will take effect only if (i) a successor Index Calculation Agent is appointed by the Index Sponsor, (ii) such successor Index Calculation Agent accepts the appointment, and (iii) the successor Index Calculation Agent assumes the rights and obligations of the Index Calculation Agent. Such replacement of the Index Calculation Agent will be published in accordance with *Section F. - Publication of this Index Description*.

Neither the Index Sponsor nor any other person related to the Index acts in any fiduciary or advisory capacity for any holder of Debt Securities.

Section C. - Calculation of the Index

I. Calculation of the Index Value

The Index Value ($\text{Index}(t_j)$) is calculated by the Index Calculation Agent for each Index Valuation Date t_j (where $j = 1, 2, \dots$) after the Index Start Date in accordance with the following formula:

$$\text{Index}(t_j) = \text{Index}(t_{j-1}) \times \left[1 + w(t_{j-1}) \times \text{Return}_1(t_j) + (1 - w(t_{j-1})) \times \text{Return}_2(t_j) \right]$$

where the return on the Reference Fund since the previous Index Valuation Date t_{j-1} (referred to as $\text{Return}_1(t_j)$) is calculated as follows:

$$\text{Return}_1(t_j) = \frac{\text{NAV}^A(t_j) - \text{NAV}^A(t_{j-1})}{\text{NAV}^A(t_{j-1})}$$

where

$$\text{NAV}^A(t_j) = n(t_j) \times (\text{NAV}(t_j) + d(t_j))$$

and the return on the Money Market Investment is calculated as follows on the basis of the Reference Index, reduced by the proportionate Reference Index Structuring Fee since the previous Index Valuation Date t_{j-1} (referred to as $\text{Return}_2(t_j)$):

$$\text{Return}_2(t_j) = \frac{\text{RIV}(t_j) - \text{RIV}(t_{j-1})}{\text{RIV}(t_{j-1})} - \frac{\text{F}_{\text{RI}}}{360} \times \Delta(t_{j-1}, t_j)$$

where

" $w(t_{j-1})$ " denotes the weighting of the Reference Fund (as defined in *Section C. - III. Dynamic Allocation rules* below), calculated for the Index Valuation Date t_{j-1} ;

" $\Delta(t_{j-1}, t_j)$ " denotes the number of calendar days from Index Valuation Date t_{j-1} (exclusive) to Index Valuation Date t_j (inclusive).

Under normal circumstances, the Index Value at an Index Valuation Date is calculated on the following Banking Day (each an "**Index Calculation Date**") after the Index Calculation Agent has received the relevant Net Asset Value of the Reference Fund.

II. Adjustment of the distribution factor

On each Reinvestment Date t^*_j , the distribution factor $n(t^*_j)$ is recalculated by the Index Calculation Agent in a way so that it notionally equals a reinvestment of the present value (in euro) of the related Distribution (less costs and taxes, if any, incurred by the Hypothetical Investor) in Fund Shares. Expressed as a formula, this means:

$$n(t^*_j) = \tilde{n}(t^*_j) + \frac{\tilde{n}(t^*_j) \times d(t^*_j)}{NAV(t^*_j)}$$

III. Dynamic Allocation rules

The weighting of the Index Components in the Reference Portfolio is redetermined on each Index Valuation Date t_j (where $j = 0, 1, 2, \dots$) as follows ("**Dynamic Allocation**"):

First, the Index Calculation Agent calculates the realised degree of variation (realised volatility) of the Reference Fund ($\sigma_R(t_j)$), using the daily returns of the Reference Fund over a period of twenty consecutive Index Valuation Dates, and derives an annual volatility level from this realised volatility. The period observed (the "**Volatility Period**") commences twenty-two Index Valuation Dates prior to the relevant Index Valuation Date t_j and ends two Index Valuation Dates prior to the relevant Index Valuation Date t_j . Return is the logarithm of the change in the Net Asset Value between two consecutive Index Valuation Dates.

The realised volatility of the Reference Fund on each Index Valuation Date t_j (where $j = 0, 1, 2, \dots$) is calculated as follows:

$$\sigma_R(t_j) = \sqrt{\frac{\sum_{p=0}^{19} \left(\text{Ln} \left[\frac{NAV^A(t_{j-p-2})}{NAV^A(t_{j-p-3})} \right] \right)^2 - \frac{1}{20} \times \left(\sum_{p=0}^{19} \text{Ln} \left[\frac{NAV^A(t_{j-p-2})}{NAV^A(t_{j-p-3})} \right] \right)^2}{19}} \times \sqrt{252}$$

where

"**Ln[x]**" denotes the natural logarithm of a value of x.

If, on any Index Valuation Date t_j , the twenty-one Net Asset Values of the Fund Share required in order to calculate $\sigma_R(t_j)$ are not available in the relevant Volatility Period because the history of the Reference Fund is too short, the Index Calculation Agent will use the earliest available Net Asset Value of a Fund Share as the value for the unavailable Net Asset Values of the Reference Fund.

Next, the Index Calculation Agent determines the weighting of the Reference Fund for the corresponding Index Valuation Date t_j ($w(t_j)$) using the following Allocation Table and the realised volatility of the Reference Fund calculated in accordance with the formula described above. The greater the realised volatility of the Reference Fund, the lower the weighting of the Reference Fund and vice versa.

"**Allocation Table**":

| Realised volatility of the Reference Fund $\sigma_R(t_j)$ | Weighting $w(t_j)$ |
|--|--------------------|
| $\sigma_R(t_j) < 6.00\%$ | 100% |
| $6.00\% \leq \sigma_R(t_j) < 6.25\%$ | 96% |
| $6.25\% \leq \sigma_R(t_j) < 6.50\%$ | 92% |
| $6.50\% \leq \sigma_R(t_j) < 6.75\%$ | 88% |
| $6.75\% \leq \sigma_R(t_j) < 7.00\%$ | 84% |
| $7.00\% \leq \sigma_R(t_j) < 7.25\%$ | 82% |

| | |
|--|-----|
| $7.25\% \leq \sigma_R(t_j) < 7.50\%$ | 80% |
| $7.50\% \leq \sigma_R(t_j) < 7.75\%$ | 78% |
| $7.75\% \leq \sigma_R(t_j) < 8.00\%$ | 76% |
| $8.00\% \leq \sigma_R(t_j) < 8.25\%$ | 74% |
| $8.25\% \leq \sigma_R(t_j) < 8.50\%$ | 72% |
| $8.50\% \leq \sigma_R(t_j) < 8.75\%$ | 70% |
| $8.75\% \leq \sigma_R(t_j) < 9.00\%$ | 68% |
| $9.00\% \leq \sigma_R(t_j) < 9.25\%$ | 66% |
| $9.25\% \leq \sigma_R(t_j) < 9.50\%$ | 63% |
| $9.50\% \leq \sigma_R(t_j) < 10.00\%$ | 60% |
| $10.00\% \leq \sigma_R(t_j) < 10.50\%$ | 57% |
| $10.50\% \leq \sigma_R(t_j) < 11.00\%$ | 54% |
| $11.00\% \leq \sigma_R(t_j) < 11.50\%$ | 51% |
| $11.50\% \leq \sigma_R(t_j) < 12.00\%$ | 48% |
| $12.00\% \leq \sigma_R(t_j) < 12.50\%$ | 45% |
| $12.50\% \leq \sigma_R(t_j) < 13.00\%$ | 42% |
| $13.00\% \leq \sigma_R(t_j) < 14.00\%$ | 39% |
| $14.00\% \leq \sigma_R(t_j) < 15.00\%$ | 36% |
| $15.00\% \leq \sigma_R(t_j) < 16.00\%$ | 32% |
| $16.00\% \leq \sigma_R(t_j) < 17.00\%$ | 28% |
| $17.00\% \leq \sigma_R(t_j) < 18.00\%$ | 24% |
| $18.00\% \leq \sigma_R(t_j) < 20.00\%$ | 20% |
| $20.00\% \leq \sigma_R(t_j) < 22.00\%$ | 15% |
| $22.00\% \leq \sigma_R(t_j) < 24.00\%$ | 10% |
| $24.00\% \leq \sigma_R(t_j) < 26.00\%$ | 5% |
| $26.00\% \leq \sigma_R(t_j)$ | 0% |

When performing the Dynamic Allocation, the Index Calculation Agent will take into account the possibilities of the Hypothetical Investor to subscribe or redeem Fund Shares (where appropriate taking into consideration subscription and redemption periods of the Reference Fund or where the Refer-

ence Fund makes use of provisions leading to partial execution of subscription or redemption requests). This may lead to a delayed or gradual implementation of Dynamic Allocation.

The Index Calculation Agent carries out its obligations described herein on the relevant Banking Days. Where it is necessary to carry out one of the obligations described herein on a different Banking Day, the Index Calculation Agent will postpone the relevant obligation to this other Banking Day. The Index Sponsor will determine in its reasonable discretion (section 315 BGB) whether this is necessary.

Section D. - Extraordinary adjustments and market disruptions

I. General extraordinary adjustments

Adjustments with regard to the Reference Fund

Should the Index Sponsor determine that one or more Fund Events have occurred, the Index Sponsor will, if necessary, adjust the Index Concept in such a way that the financial position of the Hypothetical Investor remains unchanged to the greatest extent possible (the "**Reference Fund Adjustment**"). The Index Sponsor will determine the type and scope of any measures required for this purpose in its reasonable discretion (section 315 BGB).

In the context of such Reference Fund Adjustment, the Index Sponsor may specifically:

- a) replace the Reference Fund and the Fund Shares, in full or in part, with a fund and fund shares with economically equivalent liquidity, distribution policy and investment strategy (the "**Successor Reference Fund**", and its shares the "**Successor Fund Shares**") in the amount of the proceeds of the liquidation of the Reference Fund within ten Banking Days of the day on which the liquidation proceeds would have been received in part or in full by the Hypothetical Investor. In this event, each reference to the Reference Fund or the Fund Shares will be deemed to refer to the Successor Reference Fund or the Successor Fund Shares, as applicable;
- b) replace the Reference Fund with an index having an economically equivalent investment strategy (the "**Successor Index**") in the amount of the proceeds of the liquidation of the Reference Fund within ten Banking Days of the day on which the liquidation proceeds would have been received in part or in full by the Hypothetical Investor. In this event, each reference to the Reference Fund or the Fund Shares will be deemed to refer to the Successor Index, each reference to the Net Asset Value will be deemed to refer to the official closing price of the Successor Index, and each reference to the Management Company will be deemed to refer to the index sponsor of the Successor Index; or
- c) adjust any provision of the Index Concept, the adjustment of which is appropriate to account for the economic effect of the Fund Event

(where necessary also adjusting the weighting of the Index Components now included in the Index). Any such Reference Fund Adjustment will be published in accordance with *Section F. - Publication of this Index Description*.

Should the Reference Fund be replaced in accordance with (a) or (b) resulting in the loss or the reduction of the fees received by the Index Sponsor in its function as Hedging Party from the Management Company in relation to any holdings in the Reference Fund, the Index Calculation Agent will introduce a structuring fee on the return of the Fund Shares, i.e. the Return1 (as defined in *Section C. – II. Calculation of the Index Value of this Index Description*) is reduced by this structuring fee as an annual percentage on a daily basis in the same way as Return2 is calculated. This structuring fee (i) amounts to 1.00% p.a. in the case of a Successor Index, or (ii) in the case of a Successor Reference Fund, is calculated as the difference between 1.00% p.a. and the anticipated reduced trailer fee for holdings of the Successor Reference Fund as an annual percentage. It will, however, not exceed 1.00% p.a. The introduction of such structuring fee and its amount will be published in accordance with *Section F. - Publication of this Index Description*.

"**Fund Event**" means any of the following events:

- a) changes are made in any of the Fund Documents without the consent of the Index Sponsor which affect the ability of the Hedging Party to maintain its Hedging Transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency

of the Fund Shares, (iv) the method of calculating the Net Asset Value, or (v) the timetable for the subscription or issue, redemption and/or transfer of Fund Shares; the Index Sponsor will determine in its reasonable discretion (section 315 BGB) whether any such change has occurred;

- b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees existing at the date the Reference Fund was included in the Index);
- d) the Reference Fund or the Management Company or the Fund Services Provider appointed for this purpose by the Reference Fund or the Management Company fails to publish the Net Asset Value as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- e) a change in the legal form of the Reference Fund;
- f) a change of key persons in key positions of the Management Company or the Fund Management;
- g) (i) any change in the legal, accounting, tax or regulatory treatment of the Reference Fund or the Management Company; or (ii) the suspension, cancellation, revocation or absence of the licence or registration of the Reference Fund or the Management Company; or (iii) the suspension, cancellation, revocation or absence of the distribution authorisation for the Reference Fund or the Management Company by a competent authority; or (iv) the initiation of a regulatory investigation, conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company or a Fund Services Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- h) a material breach by the Reference Fund or the Management Company of the investment objectives, the investment strategy or the investment restrictions of the Reference Fund (as defined in the Fund Documents), and a breach by the Reference Fund or the Management Company of statutory or regulatory provisions; the Index Sponsor will determine in its reasonable discretion (section 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 (section 315 BGB) whether any such change has occurred;
- j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which would make it unlawful or impracticable for the Hedging Party to maintain its Hedging Transactions or which would result in significantly increased costs, in each case as determined by the Index Sponsor in its reasonable discretion (section 315 BGB).
- k) an increase in the proportion of the volume held by the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into Hedging Transactions beyond 20% of the outstanding Fund Shares in the Reference Fund;
- l) the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
- m) the sale or redemption of Fund Shares for mandatory reasons for the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding Hedging Transactions;
- n) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons out-

side the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares or any other event that has a diluting or concentrative effect on the theoretical value of a Fund Share, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash, or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;

- o) the Management Company or a Fund Services Provider discontinues its services for the Reference Fund or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another service provider which in the reasonable discretion of the Index Sponsor (section 315 BGB) is of similarly good standing;
- p) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Reference Fund or the Fund Shares, (ii) the initiation of settlement, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Reference Fund or the merger of the Reference Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder, or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- q) the initiation of settlement, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Management Company;
- r) the Index Sponsor loses the right to use the Reference Fund as the basis for the calculation, determination and publication of the Index;
- s) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer or the Hedging Party in the reasonable discretion (section 315 BGB) of the Index Sponsor;
- t) no notification is given of the bases of taxation for the Reference Fund in accordance with the applicable provisions of the German Investment Tax Act (*Investmentsteuergesetz*; "InvStG") or any successor legislation, or the Reference Fund or the Management Company has announced that no notification of the bases of taxation will be given in accordance with the applicable provisions of the InvStG or any successor legislation in the future;
- u) changes in the investment or distribution policy of the Reference Fund which could have a substantial negative effect on the amount of the Reference Fund's Distributions as well as Distributions which diverge significantly from the Reference Fund's normal distribution policy to date;
- v) the Reference Fund or the Management Company or a company affiliated with it breaches the agreement entered into with the Index Sponsor, an Issuer or the Hedging Party in relation to the terms and conditions for the subscription or redemption of Fund Shares or any fees agreed in connection with any holdings of Fund Shares held by the Index Sponsor in its capacity as Hedging Party in a significant respect or terminates that agreement;
- w) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Sponsor with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- x) the Reference Fund or the Management Company fails to provide the Index Sponsor with the audited annual report and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- y) any other event that could have a noticeable adverse effect on the Net Asset Value of the Reference Fund or the ability of the Hedging Party to hedge its obligations under the Hedging Transactions on more than a temporary basis;

to the extent that the financial position of a Hypothetical Investor or of the Hedging Party or of the holders of Debt Securities suffers a significant adverse change as a result, as determined by the Index Sponsor in its reasonable discretion (section 315 BGB).

Neither the Index Sponsor nor the Index Calculation Agent is under any obligation to monitor whether or not one of the events referred to above has occurred. The determination of a Fund Event will be published in accordance with *Section F. - Publication of this Index Description*.

Adjustments with regard to the Reference Index

Should the Index Sponsor determine that one or more Index Events have occurred, the Index Sponsor will, if necessary, adjust the Index Concept in such a way that the financial position of the Hypothetical Investor remains unchanged to the greatest extent possible (the "**Reference Index Adjustment**"). The Index Sponsor will determine the type and scope of any measures required for this purpose in its reasonable discretion (section 315 BGB).

In the context of such Reference Index Adjustment, the Index Sponsor may specifically:

- a) replace the Reference Index with a new index (the "**Successor Reference Index**") using a methodology that is economically equivalent to the greatest extent possible (including in particular the tracking of a Money Market Investment, using rolling money market returns). However, the Successor Reference Index may use differing application periods for the Reference Rates and differing rolling intervals. In this event, each reference to the Reference Index will be deemed to refer to the Successor Reference Index;
- b) adjust any provision of the Index Concept, the adjustment of which is appropriate to account for the economic effect of the Index Event;

(where necessary also adjusting the weighting of the Index Components now included in the Index).

"**Index Event**" means any of the following events occurring on or after the Index Start Date:

- a) changes or modifications are made to the method of calculation, determination and publication of the Reference Index, as described in the Reference Index Description, without the consent of the Index Sponsor which affect the ability of the Hedging Party to hedge its obligations under the Hedging Transactions (in particular changes with respect to (i) the risk profile of the Reference Index, or (ii) the Reference Index is no longer calculated in euro); the Index Sponsor will determine in its reasonable discretion (section 315 BGB) whether any such change or modification has occurred;
- b) the historic 30-day volatility of the Reference Index exceeds a volatility level of 2.5%; where $\sigma_{EI}(t_j)$ means the annualised volatility calculated on the basis of the daily logarithmic changes in the value of the Reference Index over the immediately preceding 30 Reference Index Calculation Dates of the Reference Index on a Banking Day (t). $\sigma_{EI}(t_j)$ is calculated in accordance with the following formula:

$$\sigma_{EI}(t_j) = \sqrt{\frac{\sum_{p=0}^{29} \left(\frac{L}{n} \left[\frac{RI(t_{j-p})}{RIV(t_{j-p-1})} \right] \right)^2 - \frac{1}{30} \times \left(\sum_{p=0}^{29} \frac{L}{n} \left[\frac{RI(t_{j-p})}{RIV(t_{j-p-1})} \right] \right)^2}{29}} \times \sqrt{252}$$

Where:

"**Ln[x]**" denotes the natural logarithm of a value of x;

"**RIV(t_{j-q})**" means the Reference Index Value on the q-th Index Valuation Date prior to Index Valuation Date t_j.

- c) the calculation or publication of the Reference Index is discontinued;
- d) the Reference Index no longer, in the reasonable discretion (section 315 BGB) of the Index Sponsor, corresponds to the objective of a low-risk investment that is free of currency risk for the Hypothetical Investor;
- e) any other event that, in the reasonable discretion (section 315 BGB) of the Index Sponsor, could have a noticeable adverse effect on the Reference Index Value or the ability of the Hedging Party to hedge its obligations under the Hedging Transactions on more than a temporary basis.

Neither the Index Sponsor nor the Index Calculation Agent is under any obligation to monitor whether or not one of the events referred to above has occurred. The determination of an Index Event will be published in accordance with *Section F. - Publication of this Index Description*.

Termination of the Index

The Index Sponsor has the right to temporarily suspend the calculation of the Index following the occurrence of one or more Fund Events and/or one or more Index Events.

Should an adjustment of the Index Concept not be possible or not be reasonable for the Hypothetical Investor or the investors in any Debt Securities, the Index Sponsor has the right to permanently discontinue the calculation of the Index at any time; the Index Sponsor will determine in its reasonable discretion (section 315 BGB) whether the relevant requirements are met.

II. Adjustment of the Net Asset Value

In the following cases, the Index Sponsor will, for the purposes of calculating the Index Value, adjust the Net Asset Value of the Reference Fund published by the Management Company:

- a) charges or fees are levied in connection with the issue or redemption of Fund Shares;
- b) a Hypothetical Investor would not have received the aggregate proceeds from the redemption of Fund Shares within the usual period or the period specified in the Fund Documents; or
- c) in the event of (i) the publication of an incorrect Net Asset Value, or (ii) if a Net Asset Value determined and published by the Management Company, as used by the Index Calculation Agent as the basis for the calculation, determination and publication of the Index, is subsequently corrected.

In cases a. and b., the Index Sponsor will adjust the relevant Net Asset Value to replicate the economic effects of the relevant events on the Index, in case c. (i), the Index Sponsor will adjust the relevant Net Asset Value to account for the economic effects of the relevant events on the Index, and in case c. (ii), the Index Calculation Agent will, where necessary, again determine the relevant Net Asset Value (the "**Corrected Net Asset Value**") and again calculate the Index Value on the basis of the Corrected Net Asset Value, taking into account the situation of a Hypothetical Investor.

The Index Sponsor will determine the type and extent of any necessary adjustments to the Net Asset Value in its reasonable discretion (section 315 BGB). When adjusting the Net Asset Value, the Index Sponsor will take into account the fact that proceeds from the reduction of a Reference Fund may only be allocated to the Reference Index (and vice versa) after the Hypothetical Investor would have received the respective proceeds from the disposal of the Reference Fund or the Money Market Investment.

III. Adjustment of the value of the Reference Index

In the following cases, the Index Calculation Agent will, for the purposes of calculating the Index Value, adjust the Reference Index Value of the Reference Index published by the calculation agent of the Reference Index to account for the economic effects of the relevant events on the Index:

- a) in the event of an error in the calculation of the Reference Index Value identified by the Index Sponsor or the Index Calculation Agent;
- b) in the event of the publication of an incorrect Reference Index Value; or
- c) if a Reference Index Value determined and published by the Reference Index Sponsor, as used by the Index Calculation Agent as the basis for the calculation of the Index, is subsequently corrected.

The Index Sponsor will determine the type and extent of any necessary adjustments to the Reference Index Value in its reasonable discretion (section 315 BGB). In case c., the Index Sponsor will, where necessary, again determine the relevant Reference Index Value (the "**Corrected Reference Index Value**") and again calculate the Index Value on the basis of the Corrected Reference Index Value.

IV. Market Disruption Events

- a) If the Hypothetical Investor is not able to subscribe for or redeem Fund Shares on an Index Valuation Date, whether because the subscription or redemption of Fund Shares has been suspended or no Net Asset Value has been published for the Reference Fund or such publication will be delayed (a "Reference Fund Market Disruption Event"), the Index Calculation Agent will postpone the calculation, determination and publication of the Index (specifically including the performance of Dynamic Allocation) until such time as the Reference Fund Market Disruption Event ends. The Index Sponsor will determine in its reasonable discretion (section 315 BGB) whether the relevant requirements are met.

If the Reference Fund Market Disruption Event continues for more than thirty Banking Days, the Index Calculation Agent will make an estimate of the Net Asset Value taking into account the then prevailing market conditions and the possibilities of the Hypothetical Investor to sell Fund Shares in the market, in order to perform a calculation of the Index (specifically including the performance of Dynamic Allocation), provided that a data basis is available which is sufficient for the purposes of such estimate. The Index Sponsor will determine in its reasonable discretion (section 315 BGB) whether a sufficient data basis is available. The estimate will be based on a commercially reasonable assessment.

- b) If a Reference Index Value that is required for the calculation, determination and publication of the Index has not been published on an Index Valuation Date, or such publication will be delayed, the Index Calculation Agent will, in order to calculate the required price of the Reference Index, apply the calculation method described in the description of the Reference Index taking into account the most recently available value of the Reference Index.

Section E. - Corrections

The Index Sponsor may correct or amend contradictory or incomplete provisions in the Index Description in accordance with the provisions applicable to the relevant Debt Securities.

Section F. - Publication

The Index Value is published by the Index Calculation Agent on the website www.onemarkets.de, the Reuters page .UCGRMMBF and on Bloomberg under the ticker UCGRMMBF Index.

All determinations made by the Index Sponsor or the Index Calculation Agent in their reasonable discretion (section 315 BGB) will be published in accordance with the terms and conditions of the relevant Debt Securities.

Section G. - Governing law

This Index Description is governed by German law.

Description of HVB Vermögensdepot Wachstum Flex Index II dated 29 May 2013

The following Index Description outlines the key data for the "HVB Vermögensdepot Wachstum Flex Index II" (the "**VPD II Index**") compiled by the Issuer. This description is subject to amendments or adjustments from time to time after the date of this Base Prospectus in relation to which the Issuer will publish a related supplement to this Base Prospectus.

The HVB VERMÖGENSDEPOT WACHSTUM FLEX INDEX II (WKN A1PHN2 / ISIN DE000A1PHN28) (the "**Index**") is an index developed and designed by UniCredit Bank AG, Munich, Germany, or any successor thereto (the "**Index Sponsor**") and calculated by UniCredit Bank AG, Munich, Germany, or any successor determined by the Index Sponsor (the "**Index Calculation Agent**") in euro (the "**Index Currency**") in accordance with the index rules set out below (the "**Index Rules**") whose objective is to participate in the performance of the Reference Fund, while aiming to control the degree of variation (volatility) of the Reference Portfolio (the "**Objective of the Index**").

Section A. - Definitions, general information

I. Definitions

For the purposes of this description (the "**Index Description**"), the following terms have the following meanings:

Definitions regarding the Index:

"**Hedging Transactions**" means one or more trades, transactions or investments (especially securities (including Fund Shares), options, futures, derivatives and foreign currency transactions, repos or securities lending transactions or other instruments or measures) which are required for an Issuer and/or any Hedging Party to hedge price risks or other risks at standalone or portfolio basis arising from obligations with regard to the Index or with regard to Debt Securities or other financial instruments linked to the Index. The Index Calculation Agent will determine in its reasonable discretion (section 315 of the German Civil Code (*Bürgerliches Gesetzbuch*; "**BGB**")) whether any such Hedging Transactions are required.

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the principal domestic clearance system customarily used to settle trades regarding the Index Components and the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) are open.

"**Issuer**" means an issuer of Debt Securities or other financial instruments linked to the Index.

"**Hedging Party**" means the Index Calculation Agent (as at the Index Start Date). The Index Calculation Agent is entitled at any time to appoint another person or company to act as Hedging Party (the "**Successor Hedging Party**"). The appointment of a Successor Hedging Party will be published in accordance with *Section G - Publication of this Index Description*.

"**Index(t_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 D - Calculation of the Index of this Index Description*.

"**Index Components**" means the Fund Shares and the Money Market Investment included in the Index at any given time.

"**Index Valuation Date**" means any Banking Day that is a Reference Index Calculation Date and on which it is actually possible to issue and redeem Fund Shares as described in the Fund Documents.

"**Index Start Date**" means 1 June 2012.

"**Index Initial Value**" means 100.00.

"**Index Value**" means the value (expressed in euro) of the Index on any given Index Valuation Date as calculated by the Index Calculation Agent.

"**Money Market Investment**" means a hypothetical investment in cash and money market instruments from the European single currency area. The performance of this investment is reflected by the Reference Index.

"**Hypothetical Investor**" means a company incorporated in Germany and holding Fund Shares of the Reference Fund.

"**Reference Portfolio**" means a hypothetical portfolio of a Hypothetical Investor which contains both Fund Shares and the Money Market Investment in variable weightings. The Reference Portfolio has a value at the Index Start Date equal to the Index Initial Value (expressed in euro).

"**Debt Securities**" means all outstanding debt securities of a company affiliated with the Index Sponsor (section 15 of the German Stock Corporation Act (*Aktiengesetz*)) at a given time for which payment of principal and/or interest depends on the performance of the Index.

" t_j " means the j -th Index Valuation Date. The Index Start Date is shown as t_0 , previous Index Valuation Dates are shown as negative indices and subsequent Index Valuation Dates as positive indices, resulting in (... , $t-2$, $t-1$, t_0 , t_1 , t_2 , ...).

Definitions regarding the Reference Fund:

"**Investment Adviser**" means UniCredit Bank AG (at the Index Start Date). The Management Company may appoint a different person or company to act as Investment Adviser at any time.

"**Custodian Bank**" means CACEIS Bank Deutschland GmbH and/or any other company appointed by the Management Company to perform custodial, accounting, settlement or similar services for the Reference Fund.

"**Fund Share**" or "**Fund Shares**" means a share or shares in the Reference Fund (WKN A0M035 / ISIN DE000A0M0358 / Bloomberg HVBPRWP GR Equity).

"**Fund Documents**" means the annual and the half-yearly report, the prospectus (including fund rules), the key investor information and all other documents of the Reference Fund which specify the terms and conditions of the Reference Fund and the Fund Shares, as amended. The Fund Documents, as amended, are available on the website www.pioneerinvestments.de (or any successor site). The information contained therein is also maintained by UniCredit Bank AG, LCI4SS, Arabellastraße 12, 81925 Munich, Germany, to be issued to the public free of charge during normal business hours.

"**Management Company**" means Pioneer Investments Kapitalanlagegesellschaft mbH, which manages the Reference Fund.

"**Net Asset Value**" or "**NAV**" means the official net asset value for a Fund Share, as published by the Management Company and at which it is actually possible to redeem Fund Shares.

"**NAV(t_j)**" means the Net Asset Value of a Fund Share on Index Valuation Date t_j .

"**Reference Fund**" means HVB Vermögensdepot privat Wachstum PI.

"**Auditor**" means KPMG AG and/or any other auditing firm appointed by the Management Company to audit the Reference Fund and its annual financial statements.

Definitions regarding the Reference Index:

"**Reference Index**" means the HVB 3 Months Rolling Euribor Index (WKN A0QZBZ / ISIN DE000A0QZBZ6 / Reuters .HVB3MRE / Bloomberg HVB3MRE Index), as determined and calculated by UniCredit Bank AG (the "Reference Index Sponsor").

"**Reference Index Calculation Agent**" means UniCredit Bank AG, Munich, Germany.

"**Reference Index Calculation Date**" means each day (other than a Saturday or Sunday) on which the Trans-European Automated Real-time Gross settlement Express Transfer System (TARGET2) is open.

"**Reference Index Description**" means the description defining the method used to calculate the Reference Index, as amended. The Reference Index Description at the Index Start Date is included in this Index Description in *Section C - II. Description of the Reference Index - HVB 3 Months Rolling Euribor Index*, and a current version of the Reference Index Description, as amended, is available on the website www.onemarkets.de (or any successor site).

"Reference Index Value" means the value (expressed in euro) of the Reference Index calculated by the Reference Index Calculation Agent on the basis of the method described in the Reference Index Description at any Reference Index Calculation Date.

"RIV(t_j)" means the Reference Index Value on Index Valuation Date t_j .

"Synthetic Dividend" or **"Div"** means a rate by which the performance of the Reference Index is reduced. The Synthetic Dividend is 1.55% per annum (Div = 1.55%).

II. General information

Where information is provided in this Index Description with respect to the Reference Fund, such information is based exclusively on information taken from the Fund Documents and from the website of the Management Company. The responsibility of the Index Calculation Agent is limited to reproducing such publicly available information accurately and to ensuring that no facts are omitted that would otherwise result in a false, incomplete or misleading representation herein to the extent that this is evident for the Index Calculation Agent and to the extent that this is demonstrable for the Index Calculation Agent from the information published by the Management Company. In particular, neither the Index Sponsor nor the Index Calculation Agent nor any other person or company that provides services in connection with the Index accepts any responsibility for the correctness or completeness of the present description and the underlying information or for the event that any circumstances have arisen that could impair its correctness or completeness. The information herein is given as at 4 June 2012. For further and current information regarding the Reference Fund, please refer to the website of the Management Company www.pioneerinvestments.de (or any successor site).

When calculating the Index Value, the Index Calculation Agent must rely upon statements, confirmations, computations, assurances and other information provided by third parties, the correctness and reliability of which it largely does not verify and for the correctness of which it accepts no responsibility. Any inaccuracies contained in such information may have an impact on the calculation of the Index Value without any fault attaching to the Index Calculation Agent. The Index Calculation Agent has no obligation to verify this information independently.

The Index exists exclusively in the form of sets of data records and does not convey any direct or indirect legal or beneficial interest or ownership in the Index Components. Each of the allocations described herein within the Reference Portfolio is only carried out hypothetically by modifying such records. The Index Calculation Agent, any Issuer and the Hedging Party are under no obligation to directly or indirectly acquire the Index Components.

Section B. - General information regarding the Index

I. Objective of the Index

The Index reflects the performance of the Reference Portfolio.

The economic objective of the Reference Portfolio is to participate in the performance of the Reference Fund, while aiming to control the degree of variation (volatility) of the Reference Portfolio. To this end, the participation in the Reference Fund will be reduced in part or in full in the event of high volatility of the Reference Fund, and the participation in the Money Market Investment will be increased accordingly. Conversely, the participation in the Money Market Investment will be reduced in part or in full in the event of low volatility of the Reference Fund, and the participation in the Reference Fund will be increased accordingly.

However, there is no guarantee that the Reference Portfolio and hence the Index will achieve the objectives described here.

For the purposes of calculating the Index, the Money Market Investment is reflected by the Reference Index (as described in *Section C - II. Description of the Reference Index - HVB 3 Months Rolling Euribor Index* of this Index Description).

II. Index Sponsor and Index Calculation Agent

The Index Sponsor compiles the Index by selecting the Index Components and by determining the method used to calculate and publish the Index Value (the **"Index Concept"**).

The Index Calculation Agent conducts all calculations, determinations and definitions with the regard to the Index in accordance with this Index Description, and monitors and updates certain index data for this purpose.

The Index Calculation Agent may at any time in its sole discretion seek advice from third parties with regard to its obligations described herein. The Index Calculation Agent may resign at any time, provided that, for as long as Debt Securities are still outstanding, the resignation will take effect only if (i) a successor Index Calculation Agent is appointed, (ii) such successor Index Calculation Agent accepts the appointment, and (iii) the successor Index Calculation Agent assumes the rights and obligations of the Index Calculation Agent. Such replacement of the Index Calculation Agent will be published in accordance with *Section G - Publication of this Index Description*.

The Index Calculation Agent will act with the due care of a prudent businessman (*Sorgfalt eines ordentlichen Kaufmannes*) in carrying out all calculations, determinations and definitions with regard to the Index in accordance with this Index Description. The Index Sponsor and the Index Calculation Agent accept no liability except in the event of wilful misconduct or gross negligence.

Neither the Index Sponsor nor any other person related to the Index acts in any fiduciary or advisory capacity for any holder of Debt Securities.

Section C. - Description of the Reference Fund and the Reference Index

I. Description of the Reference Fund - HVB Vermögensdepot privat Wachstum PI

The information regarding the Reference Fund included in this Index Description is intended solely to inform investors wishing to buy Debt Securities or other financial instruments linked to the Index and does not constitute a solicitation to buy Fund Shares. Such information is provided for convenience only, its completeness or correctness does not form part of the basis of the purchase of Debt Securities or other financial instruments linked to the Index. Such financial instruments are merely intended to enable investors to make a volatility-based synthetic investment in the Reference Fund; each investor must make its own assessment of the merits of the Reference Fund.

Fund portrait

HVB Vermögensdepot privat Wachstum PI is a mixed fund (*gemischtes Sondervermögen*) as defined by the German Investment Act (*Investmentgesetz*; "**InvG**"), which may invest flexibly in various asset classes. The Reference Fund was set up on 11 February 2008 for an indefinite period and is managed by the Management Company. The Management Company has appointed the Investment Adviser to act as investment adviser for the Reference Fund. The Reference Fund is designed as a fund of funds and pursues a growth-oriented or limited-risk investment strategy. Medium opportunities are set against medium risks.

The Reference Fund invests on a regular basis in passive instruments such as exchange-traded funds (ETFs) or index-oriented funds. It is, however, also permitted to make use of instruments such as actively managed funds, certificates, interest-bearing securities, money market funds or bank balances on a case-by-case basis.

Investment strategy and investment principles

The Management Company may, within the framework of the German Investment Act (InvG) and the investment limits described in greater detail in the Fund Documents, acquire the following assets for the Reference Fund:

- securities in accordance with section 47 InvG;
- money market instruments in accordance with section 48 InvG;
- bank balances in accordance with section 49 InvG;
- investment shares or units in accordance with section 50 and section 84 (1) no. 2 a) InvG and shares in investment stock corporations in accordance with section 84 (1) no. 3 a) InvG;
- derivatives in accordance with section 51 InvG;
- other investment instruments in accordance with section 52 InvG.

Investment shares or units as defined in sections 90g to 90k InvG (Other funds) and/or section 112 InvG (Funds with additional risks) and/or shares in investment stock corporations whose articles of association permit a form of investment comparable to that defined in sections 90g to 90k InvG or section 112 InvG, and shares or units in comparable non-German investment funds may not be acquired for the Reference Fund.

Furthermore, the Management Company may, in accordance with the provisions of the InvG and the Fund Documents:

- take out loans;
- grant securities loans;
- enter into repurchase agreements.

The Reference Fund may invest up to 70% of the aggregate value of the Reference Fund in the following assets:

- exchange-traded funds (ETFs) and/or index-oriented funds, each of which track the performance of stock indices; and/or
- certificates on equities and/or equity-related securities; and/or
- equity funds with a risk profile that typically correlates with one or more stock markets; and/or
- equities and/or profit-participation certificates and/or convertible bonds.

The Reference Fund must invest at least 20% of the aggregate value of the Reference Fund in the following assets:

- exchange-traded funds (ETFs) and/or index-oriented funds, each of which track the performance of bond indices; and/or
- certificates on bonds and/or bond-related securities; and/or
- bond funds with a risk profile that typically correlates with one or more bond markets; and/or
- bank balances in accordance with section 49 InvG and/or money market instruments in accordance with section 48 InvG and/or money market funds; and/or
- interest-bearing securities.

Costs and commissions of the Reference Fund

The Management Company receives an annual fee of up to 2.5% of the value of the Reference Fund for its management services. The amount is calculated on the basis of the value of the Reference Fund determined on each exchange business day. The Investment Adviser receives a fee from the Management Company out of the management fee of the Management Company for the services that it performs for the Reference Fund. The Custodian Bank receives an annual fee of up to 0.2% of the value of the Reference Fund (plus any applicable statutory value-added tax). In addition to the fees mentioned above, the following costs are charged to the Reference Fund:

- the costs incurred in connection with the purchase and sale of assets;
- normal bank custody fees, where appropriate including the normal bank costs for the safe-keeping of non-German securities outside of Germany;
- normal costs and fees accruing in connection with the opening of bank accounts and depositary accounts with foreign banks;
- the costs incurred in connection with printing and posting of the annual and half-yearly reports intended for the investors;
- the costs incurred in connection with publishing the annual and half-yearly reports, the issue and redemption prices and, where appropriate, the distributions or reinvestments, and the liquidation report;

- the costs incurred in connection with auditing the Reference Fund by the Auditor;
- the costs incurred in connection with the notification of the bases of taxation and the statement that the tax information was determined in accordance with the rules of German tax law;
- any taxes accruing in connection with the cost of management and custody;
- the costs incurred in connection with asserting and enforcing legal claims of the Reference Fund and for legal and tax advice with regard to the Reference Fund;
- administration fees and costs reimbursed to governmental agencies;
- the costs incurred for representing investor and creditor rights, especially costs incurred for instructing proxies;
- the costs incurred in connection with the authorisation of the Reference Fund for distribution outside of Germany, including advertising costs, costs accruing for compliance with supervisory rules and regulations in Germany and outside of Germany, and legal and tax advisory costs and translation costs;
- the costs incurred in connection with preparing or amending, translating, filing, printing and posting prospectuses in countries where the Fund Shares are sold;
- the costs incurred in connection with notifying investors in the Reference Fund by way of a permanent data carrier, with the exception of the costs incurred in connection with information about fund mergers;
- the costs incurred in connection with the analysis of investment performance by third parties;
- the costs incurred in connection with advertising in direct connection with the marketing and sale of Fund Shares;
- the costs and any fees that may be incurred for acquiring and/or using and/or naming a benchmark or financial indices and/or other financial instruments or assets;
- any costs incurred in connection with investment committee meetings.

In addition, the Management Company may charge compensation of up to 10% of the amounts received for the Reference Fund in cases where disputed claims are enforced for the Reference Fund in or out of court in the context of class action lawsuits, tax reimbursement claims or similar proceedings.

Furthermore, the Management Company may receive up to half of the income from the conclusion of securities lending transactions for the account of the Reference Fund as a flat fee.

The management fees charged to the Reference Fund (excluding transaction costs) are disclosed in the annual report and shown as a proportion of the average volume of the Reference Fund (total expense ratio). This consists of the fees for the management of the Reference Fund, the fees paid to the Custodian Bank and the costs that can be charged additionally to the Reference Fund (see list of costs above). The costs incurred in connection with the acquisition and disposal of assets are excluded from this. The Management Company will not receive any reimbursements of the remuneration or cost reimbursements paid from the Reference Fund to the Custodian Bank or to third parties.

The Management Company may pay brokerage commissions to brokers, such as credit institutions, financial services providers and broker-dealers, as "brokerage commissions based on holding periods" (*laufzeitabhängige Vermittlungsprovision*) on a recurring – mostly quarterly – basis. The amount of such commissions is generally calculated in line with the volume of the Reference Fund sold through the relevant brokers.

The costs and commissions of the Reference Fund may be subject to change or modification. Such changes or modifications may arise among other things when an existing service provider of the Reference Fund, as described in the Fund Documents, is changed or replaced.

Costs and commissions of Target Funds

In addition to the fee paid for the management of the Reference Fund, a management fee is charged for the shares in other funds ("**Target Funds**") held in the Reference Fund. The following types of

fees, costs, taxes, commissions and other expenses (list not exhaustive) are covered indirectly or directly by the Reference Fund:

- management fees for the Target Fund (fund management, administrative activities);
- fees for the Custodian Bank;
- normal bank custody fees, where appropriate including the normal bank costs for the safe-keeping of non-German securities outside of Germany;
- the costs incurred in connection with printing and posting of the annual and half-yearly reports intended for the investors in the Target Fund;
- the costs incurred in connection with publishing the annual and half-yearly reports, the issue and redemption prices and, where appropriate, distributions;
- the costs incurred in connection with auditing the Target Fund by the Auditor of the Target Fund;
- the costs incurred in connection with the notification of the bases of taxation and the statement that the tax information was determined in accordance with the rules of German tax law;
- the costs incurred in connection with distribution activities;
- any costs incurred in connection with redeeming the dividend coupons;
- any costs incurred in connection with the renewal of dividend coupons;
- the costs incurred in connection with the purchase and sale of assets;
- any taxes accruing in connection with the cost of management and custody;
- the costs incurred in connection with asserting and enforcing legal claims of the Target Fund;
- the costs incurred in connection with the utilisation of normal bank securities lending programmes.

The sales and redemption charges charged to the Reference Fund for the purchase and the redemption of shares in Target Funds are disclosed in the annual and half-yearly reports. Furthermore, the fees charged to the Reference Fund by a domestic or non-German investment company or a company affiliated with the Management Company as a management fee for the shares in Target Funds held by the Reference Fund are also disclosed.

II. Description of the Reference Index - HVB 3 Months Rolling Euribor Index

General description of the Reference Index

The Reference Index tracks the performance of a notional ongoing investment in cash and Money Market Instruments bearing interest at the interest rate for 3-month time deposits in euro in the inter-bank market. Re-investment takes place on a 3-month cycle, including the accrued interest at the then prevailing market interest rate.

The Reference Index is calculated in euro by the Reference Index Calculation Agent on each Reference Index Calculation Date and published on the Reuters financial information system on Reuters page .HVB3MRE.

The initial value of the Reference Index (the "**Reference Index Initial Value**") on 16 March 2004 (the "**Reference Index Start Date**") was 100.00.

Calculation of the Reference Index

Two Reference Index Calculation Dates before each Reference Interest Period (as defined below), the Reference Index Calculation Agent determines the value of the 3-month Euribor rate, which can be obtained from the Bloomberg financial information system under the ticker EUR003M Index, among other sources. Such value determined in this way is the Reference Rate (the "**Reference Rate**") for the corresponding Reference Interest Period.

A Reference Interest Period (the "**Reference Interest Period**") commences on the third Wednesday of the third calendar month of each calendar quarter (inclusive) (each a "**Reference Interest Period Start Date**") and ends on the third Wednesday of the third calendar month of the following quarter (exclusive) (each a "**Reference Interest Period End Date**"). Should a Reference Interest Period Start Date not be a Reference Index Calculation Date, the relevant Reference Interest Period Start Date will be postponed to the immediately following Reference Index Calculation Date. Should a Reference Interest Period End Date not be a Reference Index Calculation Date, the relevant Reference Interest Period End Date will be postponed to the immediately following Reference Index Calculation Date. This means that the relevant interest period is extended or shortened accordingly. The first Reference Interest Period Start Date is the Reference Index Start Date.

The Reference Index Value at a Reference Index Calculation Date t after the Reference Index Start Date is calculated by the Reference Index Calculation Agent using the following formula:

$$RIV(t) = B(t, T_{End}) \times RIV(T_{Start}) \times \left[1 + \frac{\Delta(T_{Start}, T_{End})}{360} \times R_{Start} \right]$$

where

" T_{Start} " denotes the Reference Interest Period Start Date immediately preceding the Reference Index Calculation Date t ;

" T_{End} " denotes the Reference Interest Period End Date immediately following the Reference Index Calculation Date t (or t , if the Reference Index Calculation Date t is a Reference Interest Period End Date);

" $B(t, T_{End})$ " denotes the discount factor on the Reference Index Calculation Date t for the maturity date T_{End} . The discount factor is determined by the Reference Index Calculation Agent using the Yield Curve; it amounts to the value 1 on each day T_{End} .

"**Yield Curve**" means an implicit curve determined by the Reference Index Calculation Agent using internal valuation methods on the basis of the money market rates, prices for futures contracts on the Euribor interest rate, swap rates prevailing on the interbank market and other suitable instruments applicable on the Reference Index Calculation Date t . A continuous curve through to the relevant maturity date T_{End} is calculated by means of interpolation;

" $RIV(T_{Start})$ " denotes the Reference Index Value on day T_{Start} .

" R_{Start} " denotes the Reference Rate for the relevant Reference Interest Period from T_{Start} to T_{End} .

" $\Delta(T_{Start}, T_{End})$ " denotes the number of calendar days from T_{Start} (exclusive) to T_{End} (inclusive).

Section D. - Calculation of the Index

I. Calculation of the Index Value

The Index Value ($Index(t_j)$) is calculated by the Index Calculation Agent for each Index Valuation Date t_j (where $j = 1, 2, \dots$) after the Index Start Date in accordance with the following formula:

$$Index(t_j) = Index(t_{j-1}) \times \left[1 + w(t_{j-1}) \times Return_1(t_j) + (1 - w(t_{j-1})) \times Return_2(t_j) \right]$$

where the return on the Reference Fund since the previous Index Valuation Date ($Return_1(t_j)$) is calculated as follows:

$$Return_1(t_j) = \frac{NAV(t_j) - NAV(t_{j-1})}{NAV(t_{j-1})}$$

and the return on the Money Market Investment is calculated as follows on the basis of the Reference Index and reduced by the proportionate Synthetic Dividend since the previous Index Valuation Date ($Return_2(t_j)$):

$$\text{Return}_R(t_j) = \frac{\text{RIV}(t_j) - \text{RIV}(t_{j-1})}{\text{RIV}(t_{j-1})} - \frac{\text{Div}}{360} \times \Delta(t_{j-1}, t_j)$$

where

" $w(t_{j-1})$ " denotes the weighting of the Reference Fund (as defined in *Section D - II. Dynamic Allocation Rules* below), calculated for the Index Valuation Date t_{j-1} ;

" $\Delta(t_{j-1}, t_j)$ " denotes the number of calendar days from Index Valuation Date t_{j-1} (exclusive) to Index Valuation Date t_j (inclusive).

Under normal circumstances, the Index Value at an Index Valuation Date is calculated on the following Banking Day (each an "**Index Calculation Date**") after the Index Calculation Agent has received the relevant Net Asset Value of the Reference Fund.

II. Dynamic Allocation Rules

The weighting of the Index Components in the Reference Portfolio is redetermined on each Index Valuation Date t_j (where $j = 0, 1, 2, \dots$) as follows ("**Dynamic Allocation**"):

First, the Index Calculation Agent calculates the realised degree of variation (realised volatility) of the Reference Fund ($\sigma_R(t_j)$), using the daily returns of the Reference Fund over a period of twenty Index Valuation Dates, and derives an annual volatility level from this realised volatility. The period observed commences twenty-two Index Valuation Dates prior to the relevant Index Valuation Date and ends two Index Valuation Dates prior to the relevant Index Valuation Date. Return is the logarithm of the change in the Net Asset Value between two consecutive Index Valuation Dates.

The realised volatility of the Reference Fund on each Index Valuation Date t_j (where $j = 0, 1, 2, \dots$) is calculated as follows:

$$\sigma_R(t_j) = \sqrt{\frac{\sum_{p=0}^{19} \left(\text{Ln} \left[\frac{\text{NAV}(t_{j-p-2})}{\text{NAV}(t_{j-p-3})} \right] \right)^2}{19} - \frac{1}{20} \left(\sum_{p=0}^{19} \text{Ln} \left[\frac{\text{NAV}(t_{j-p-2})}{\text{NAV}(t_{j-p-3})} \right] \right)^2} \times \sqrt{252}}$$

where

" $\text{Ln}[x]$ " denotes the natural logarithm of $[x]$.

Next, the Index Calculation Agent determines the weighting of the Reference Fund for the corresponding Index Valuation Date t_j ($w(t_j)$) using the following Allocation Table and the realised volatility of the Reference Fund calculated in accordance with the formula described above. The greater the realised volatility of the Reference Fund, the lower the weighting of the Reference Fund and vice versa.

"**Allocation Table**":

| Realised volatility of the Reference Fund | Weighting $w(t_j)$ |
|---|--------------------|
| $\sigma_R(t_j) < 7.00\%$ | 100% |
| $7.00\% \leq \sigma_R(t_j) < 7.25\%$ | 96% |
| $7.25\% \leq \sigma_R(t_j) < 7.50\%$ | 92% |
| $7.50\% \leq \sigma_R(t_j) < 7.75\%$ | 90% |
| $7.75\% \leq \sigma_R(t_j) < 8.00\%$ | 87% |
| $8.00\% \leq \sigma_R(t_j) < 8.25\%$ | 85% |
| $8.25\% \leq \sigma_R(t_j) < 8.50\%$ | 82% |

| | |
|--|-----|
| $8.50\% \leq \sigma_R(t_j) < 8.75\%$ | 80% |
| $8.75\% \leq \sigma_R(t_j) < 9.00\%$ | 78% |
| $9.00\% \leq \sigma_R(t_j) < 9.50\%$ | 74% |
| $9.50\% \leq \sigma_R(t_j) < 10.00\%$ | 70% |
| $10.00\% \leq \sigma_R(t_j) < 10.50\%$ | 66% |
| $10.50\% \leq \sigma_R(t_j) < 11.00\%$ | 63% |
| $11.00\% \leq \sigma_R(t_j) < 11.50\%$ | 61% |
| $11.50\% \leq \sigma_R(t_j) < 12.00\%$ | 58% |
| $12.00\% \leq \sigma_R(t_j) < 12.50\%$ | 56% |
| $12.50\% \leq \sigma_R(t_j) < 13.00\%$ | 54% |
| $13.00\% \leq \sigma_R(t_j) < 13.50\%$ | 52% |
| $13.50\% \leq \sigma_R(t_j) < 14.00\%$ | 50% |
| $14.00\% \leq \sigma_R(t_j) < 15.00\%$ | 46% |
| $15.00\% \leq \sigma_R(t_j) < 16.00\%$ | 43% |
| $16.00\% \leq \sigma_R(t_j) < 17.00\%$ | 41% |
| $17.00\% \leq \sigma_R(t_j) < 18.00\%$ | 38% |
| $18.00\% \leq \sigma_R(t_j) < 19.00\%$ | 36% |
| $19.00\% \leq \sigma_R(t_j) < 20.00\%$ | 35% |
| $20.00\% \leq \sigma_R(t_j) < 21.00\%$ | 30% |
| $21.00\% \leq \sigma_R(t_j) < 22.00\%$ | 25% |
| $22.00\% \leq \sigma_R(t_j) < 23.00\%$ | 20% |
| $23.00\% \leq \sigma_R(t_j) < 24.00\%$ | 15% |
| $24.00\% \leq \sigma_R(t_j) < 25.00\%$ | 10% |
| $25.00\% \leq \sigma_R(t_j) < 27.00\%$ | 5% |
| $27.00\% \leq \sigma_R(t_j)$ | 0% |

When performing the Dynamic Allocation, the Index Calculation Agent will take into account the possibilities of the Hypothetical Investor to subscribe or redeem Fund Shares (where appropriate taking into consideration subscription and redemption periods of the Reference Fund). This may lead to a delayed or gradual implementation of Dynamic Allocation.

The Dynamic Allocation may be spread across several Banking Days where necessary in order to reduce resulting influences on the development of the price of the Reference Fund and/or its components. Such influences may occur in particular if Dynamic Allocation would lead to the Hedging Party having to buy or sell Fund Shares with a total value of more than 5% of the fund volume in order to enter into or unwind relevant Hedging Transactions or if the market conditions for the components of the Reference Fund generally deteriorate, in particular with regard to their liquidity, or the Reference Fund exercises its right to partially execute redemption requests. The Index Calculation Agent will determine in its reasonable discretion (section 315 BGB) whether it is necessary to spread the Dynamic Allocation across several Banking Days.

The Index Calculation Agent carries out its obligations described herein on the relevant Banking Days. Where it is necessary to carry out one of the obligations described herein on a different Banking Day, the Index Calculation Agent will postpone the relevant obligation to this other Banking Day. The Index Calculation Agent will determine in its reasonable discretion (section 315 BGB) whether the requirements of such postponement are met.

Section E. - Extraordinary adjustments and market disruptions

I. General extraordinary adjustments

Adjustment with regard to the Reference Fund

Should the Index Calculation Agent determine that one or more Fund Events have occurred, the Index Calculation Agent will, if necessary, adjust the Index Concept in such a way that the financial position of the Hypothetical Investor remains unchanged to the greatest extent possible (the "**Reference Fund Adjustment**"). The Index Calculation Agent will determine the type and scope of any measures required for this purpose in its reasonable discretion (section 315 BGB).

In the context of such Reference Fund Adjustment, the Index Calculation Agent may specifically:

- a) replace the Reference Fund and the Fund Shares, in full or in part, with a fund and fund shares with economically equivalent liquidity, distribution policy and investment strategy (the "**Successor Reference Fund**", and its shares the "**Successor Fund Shares**") in the amount of the proceeds of the liquidation of the relevant Reference Fund within ten Banking Days of the day on which the liquidation proceeds would have been received in part or in full by the Hypothetical Investor. In this event, each reference to the Reference Fund or the Fund Shares will be deemed to refer to the Successor Reference Fund or the Successor Fund Shares, as applicable;
- b) replace the Reference Fund with an index determined in the reasonable discretion (section 315 BGB) of the Index Calculation Agent (the "**Successor Index**") within ten Banking Days of the day on which the proceeds of the liquidation of the relevant Reference Fund would have been received in part or in full by the Hypothetical Investor; or
- c) adjust any provision of the Index Concept, the adjustment of which is appropriate to account for the economic effect of the Fund Event

(where necessary also adjusting the weighting of the Index Components now included in the Index). Any such Reference Fund Adjustment will be published in accordance with *Section G - Publication of this Index Description*.

The Management Company will take the remuneration that the Index Calculation Agent receives from the Management Company in its function as Investment Adviser into account in its internal pricing models by means of lower costs for the earnings mechanism in its function as Hedging Party. This remuneration is not distributed to the holders of Debt Securities or reinvested in the Index. Should the Reference Fund be replaced in accordance with (a) or (b) resulting in the loss or the reduction of the remuneration received by the Index Calculation Agent in its function as Investment Adviser to the Successor Reference Fund, the Index Calculation Agent will introduce a Synthetic Dividend on the return of the Fund Shares, i.e. the Return1 (as defined in *Section D – Calculation of the Index Value of this Index Description*) is reduced by the Synthetic Dividend as an annual percentage on a daily basis in the same way as Return2 is calculated. This Synthetic Dividend (i) amounts to 1.55% p.a. in the case of a Successor Index, or (ii) in the case of a Successor Reference Fund, is calculated as the difference between 1.55% p.a. and the anticipated reduced trailer fee for holdings of the Successor Reference Fund as an annual percentage. It will, however, not exceed 1.55% p.a. The introduction of a Syn-

thetic Dividend and its amount will be published in accordance with *Section G - Publication of this Index Description*.

"**Fund Event**" means any of the following events:

- a) changes are made in any of the Fund Documents without the consent of the Index Calculation Agent which affect the ability of the Issuer and/or the Hedging Party to maintain its Hedging Transactions, in particular changes with respect to (i) the risk profile of the Reference Fund, (ii) the investment objectives or investment strategy or investment restrictions of the Reference Fund, (iii) the currency of the Fund Shares, (iv) the relevant method of calculating the Net Asset Value, or (v) the timetable for the subscription, redemption or transfer of Fund Shares; the Index Calculation Agent will determine in its reasonable discretion (section 315 BGB) whether any such change has occurred;
- b) requests for the redemption, subscription or transfer of Fund Shares are not or only partially executed;
- c) fees, premiums, discounts, charges, commissions, taxes or similar fees are levied for the issue or redemption of Fund Shares (other than such fees, premiums, discounts, charges, commissions, taxes or similar fees existing at the date the Reference Fund was included in the Index);
- d) the Management Company fails to publish the Net Asset Value as scheduled or in accordance with normal practice or as specified in the Fund Documents;
- e) a change in the legal form of the Reference Fund;
- f) a change of key persons in key positions of the Management Company or the fund management;
- g) (i) any change in the legal, accounting, tax or regulatory treatment of the Reference Fund or the Management Company; or (ii) the suspension, cancellation, revocation or absence of registration or approval of the Reference Fund or the Management Company; or (iii) the revocation of a relevant authorisation or licence for the Reference Fund or the Management Company by a competent authority; or (iv) the initiation of a regulatory investigation, conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Management Company, other service providers that perform their services for the Reference Fund, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- h) a breach of the investment objectives or investment restrictions of the Reference Fund (as defined in the Fund Documents), and a breach by the Reference Fund or the Management Company of statutory or regulatory provisions;
- i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which (i) requires the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, to create a reserve, provision or similar, or (ii) increases the amount of regulatory capital to be held by the Hedging Party with respect to its Hedging Transactions to an extent that is significant in comparison with the conditions applying on the Index Start Date; the Index Calculation Agent will determine in its reasonable discretion (section 315 BGB) whether any such change has occurred;
- j) an increase in the proportion of the volume held by the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into Hedging Transactions beyond 35% of the outstanding Fund Shares in the Reference Fund;
- k) the Hedging Party is required to consolidate the Reference Fund as a result of accounting or other regulations;
- l) the sale or redemption of Fund Shares for mandatory reasons for the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding Hedging Transactions;
- m) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons out-

side the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash, or (v) the creation of so-called side pockets for segregated assets of the Reference Fund;

- n) the Management Company, the Auditor, the Investment Adviser, the Custodian Bank or any other service provider that performs its services for the Reference Fund ceases to act in such capacity or loses its accreditation, registration, approval or authorisation and is not immediately replaced by another service provider of the similarly good standing;
- o) (i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Reference Fund or the Fund Shares, (ii) the initiation of settlement, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Reference Fund or the merger of the Reference Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder, or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- p) the initiation of settlement, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Management Company;
- q) the Index Calculation Agent loses the right to use the Reference Fund as the basis for the calculation, determination and publication of the Index;
- r) the aggregate net assets under management of the Reference Fund fall below a value of EUR 500 million;
- s) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for an Issuer, the Hedging Party or a holder of Debt Securities in the reasonable discretion (section 315 BGB) of the Index Calculation Agent;
- t) no relevant data is provided for the calculation of the taxable basis for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "**InvStG**") or the Reference Fund or the Management Company has announced that no relevant data will be provided in accordance with § 5 (1) InvStG in the future;
- u) distributions which diverge significantly from the Reference Fund's normal distribution policy;
- v) changes in the investment or distribution policy of the Reference Fund which could have a substantial negative effect on the amount of the Reference Fund's distributions;
- w) the Reference Fund or the Management Company fails to pay the remuneration agreed with the Investment Adviser, discontinues such payment unlawfully or reduces such payment unlawfully;
- x) the Reference Fund or the Management Company or a company affiliated with it breaches the agreement entered into with the Index Calculation Agent, an Issuer or the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
- y) the Reference Fund or the Management Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- z) the Reference Fund or the Management Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- aa) any other event that could have a noticeable adverse effect on the Net Asset Value of the Reference Fund or the ability of the Hedging Party to hedge its obligations under the Hedging Transactions on more than a temporary basis

to the extent that the financial position of a Hypothetical Investor or of the Hedging Party or of the holders of Debt Securities or other financial instruments linked to the Index suffers a significant ad-

verse change as a result, as determined by the Index Calculation Agent in its reasonable discretion (section 315 BGB).

The Index Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred. The determination of a Fund Event will be published in accordance with *Section G - Publication of this Index Description*.

Adjustment with regard to the Reference Index

Should the Index Calculation Agent determine that one or more Index Events have occurred, the Index Calculation Agent will, if necessary, adjust the Index Concept in such a way that the financial position of the Hypothetical Investor remains unchanged to the greatest extent possible (the "**Reference Index Adjustment**"). The Index Calculation Agent will determine the type and scope of any measures required for this purpose in its reasonable discretion (section 315 BGB).

In the context of such Reference Index Adjustment, the Index Calculation Agent may specifically:

- a) replace the Reference Index with a new index (the "**Successor Reference Index**") using a methodology that is economically equivalent to the greatest extent possible (including in particular the tracking of rolling money market returns). However, the Successor Reference Index may use differing application periods for the Reference Rates (equal to a Reference Interest Period, as described in *Section C - II. Description of the Reference Index - HVB 3 Months Rolling Euribor Index* of this Index Description) and differing rolling intervals. In this event, each reference to the Reference Index will be deemed to refer to the Successor Reference Index;
- b) adjust any provision of the Index Concept, the adjustment of which is appropriate to account for the economic effect of the Index Event

(where necessary also adjusting the weighting of the Index Components now included in the Index).

"**Index Event**" means any of the following events occurring on or after the Index Start Date:

- a) changes or modifications are made to the method of calculation, determination and publication of the Reference Index, as described in the Reference Index Description, without the consent of the Index Calculation Agent which affect the ability of the Hedging Party to hedge its obligations under the Hedging Transactions (in particular changes with respect to (i) the risk profile of the Reference Index, or (ii) the Reference Index is no longer calculated in euro); the Index Calculation Agent will determine in its reasonable discretion (section 315 BGB) whether any such change or modification has occurred;
- b) the historic 30-day volatility of the Reference Index exceeds a volatility level of 2.5%; where $\sigma_{EI}(t_j)$ means the annualised volatility calculated on the basis of the daily logarithmic changes in the value of the Reference Index over the immediately preceding 30 Reference Index Calculation Dates of the Reference Index on a Banking Day (t). $\sigma_{EI}(t_j)$ is calculated in accordance with the following formula:

$$\sigma_{EI}(t_j) = \sqrt{\frac{\sum_{p=0}^{29} \left(\text{Ln} \left[\frac{\text{RIV}(t_{j-p})}{\text{RIV}(t_{j-p-1})} \right] \right)^2}{29} - \frac{1}{30} \left(\sum_{p=0}^{29} \text{Ln} \left[\frac{\text{RIV}(t_{j-p})}{\text{RIV}(t_{j-p-1})} \right] \right)^2} \times \sqrt{252}}$$

Where:

"**Ln[x]**" denotes the natural logarithm of [x];

- c) the calculation or publication of the Reference Index is discontinued;
- d) the Reference Index no longer, in the reasonable discretion (section 315 BGB) of the Index Calculation Agent, corresponds to the objective of a low-risk investment that is free of currency risk for the Hypothetical Investor;
- e) any other event that, in the reasonable discretion (section 315 BGB) of the Index Calculation Agent, could have a noticeable adverse effect on the Reference Index Value or the ability of

the Hedging Party to hedge its obligations under the Hedging Transactions on more than a temporary basis.

The Index Calculation Agent is under no obligation to monitor whether or not one of the events referred to above has occurred. The determination of an Index Event will be published in accordance with *Section G - Publication of this Index Description*.

Termination of the Index

The Index Calculation Agent has the right to temporarily suspend the calculation of the Index following the occurrence of one or more Fund Events and/or one or more Index Events.

Should an adjustment of the Index Concept not be possible or not be reasonable for the Hypothetical Investor, the Index Calculation Agent has the right to permanently discontinue the calculation of the Index at any time; the Index Calculation Agent will determine in its reasonable discretion (section 315 BGB) whether the relevant requirements are met.

II. Adjustment of the Net Asset Value

In the following cases, the Index Calculation Agent will, for the purposes of calculating the Index Value, adjust the Net Asset Value of the Reference Fund published by the Management Company to account for the economic effects of the relevant events on the Index:

- a) charges or fees are levied in connection with the issue or redemption of Fund Shares;
- b) a Hypothetical Investor would not have received the aggregate proceeds from the redemption of Fund Shares within the usual period or the period specified in the Fund Documents; or
- c) in the event of (i) a manifest error, (ii) the incorrect publication of the Net Asset Value, or (iii) if a Net Asset Value determined and published by the Management Company, as used by the Index Calculation Agent as the basis for the calculation, determination and publication of the Index, is subsequently corrected. In cases (ii) and (iii), the Index Calculation Agent will, where necessary, again determine the relevant Net Asset Value (the "**Corrected Net Asset Value**") and again calculate the Index Value on the basis of the Corrected Net Asset Value, taking into account the situation of a Hypothetical Investor.

The Index Calculation Agent will determine the extent of any necessary adjustments to the Net Asset Value in its reasonable discretion (section 315 BGB). When adjusting the Net Asset Value, the Index Calculation Agent will take into account the fact that proceeds from the reduction of a Reference Fund may only be allocated to the Reference Index (and vice versa) after the Hypothetical Investor would have received the respective proceeds from the disposal of the Reference Fund or the money market component.

III. Adjustment of the value of the Reference Index

In the following cases, the Index Calculation Agent will, for the purposes of calculating the Index Value, adjust the Reference Index Value of the Reference Index published by the calculation agent of the Reference Index to account for the economic effects of the relevant events on the Index:

- a) in the event of a manifest error in the calculation of the Reference Index Value;
- b) in the event of the incorrect publication of the Reference Index Value; or
- c) if a Reference Index Value determined and published by the Reference Index Sponsor, as used by the Index Calculation Agent as the basis for the calculation of the Index, is subsequently corrected.

The Index Calculation Agent will determine the extent of any necessary adjustments to the Reference Index Value in its reasonable discretion (section 315 BGB). In cases b. and c., the Index Calculation Agent will, where necessary, again determine the relevant Reference Index Value (the "**Corrected Reference Index Value**") and again calculate the Index Value on the basis of the Corrected Reference Index Value.

IV. Market Disruption Events

- a) If the Hypothetical Investor is not able to subscribe for or redeem Fund Shares on an Index Valuation Date, whether because the subscription or redemption of Fund Shares has been suspended or no Net Asset Value has been published for the Reference Fund or such publication will be delayed (a "**Reference Fund Market Disruption Event**"), the Index Calculation Agent will postpone the calculation, determination and publication of the Index (specifically including the performance of Dynamic Allocation) until such time as the Reference Fund Market Disruption Event ends. The Index Calculation Agent will determine in its reasonable discretion (section 315 BGB) whether the relevant requirements are met.

If the Reference Fund Market Disruption Event continues for more than thirty Banking Days, the Index Calculation Agent will make an estimate of the Net Asset Value taking into account the then prevailing market conditions and the possibilities of the Hypothetical Investor to sell Fund Shares in the market, in order to perform a calculation, determination and publication of the Index (specifically including the performance of Dynamic Allocation), provided that a data basis is available which is sufficient for the purposes of such estimate. The Index Calculation Agent will determine in its reasonable discretion (section 315 BGB) whether a sufficient data basis is available. The estimate will be based on a commercially reasonable assessment.

- b) If a Reference Index Value that is required for the calculation, determination and publication of the Index has not been published on an Index Valuation Date, or such publication will be delayed, the Index Calculation Agent will, in order to calculate the required price of the Reference Index, apply the calculation method described in the description of the Reference Index taking into account the most recently available value of the Reference Index.

Section F. - Corrections

The Index Calculation Agent may correct or amend contradictory or incomplete provisions in the Index Description in accordance with the provisions applicable to the relevant Debt Securities or the relevant other financial instruments linked to the Index.

Section G. - Publication

The Index Value is published by the Index Calculation Agent on the website www.onemarkets.de, the Reuters page .UCGRVDW2 and on Bloomberg under the ticker UCGRVDW2 Index.

All determinations made by the Index Calculation Agent in its reasonable discretion (section 315 BGB) will be published in accordance with the terms and conditions of the relevant Debt Securities or the relevant other financial instruments linked to the Index.

Section H. - Governing law

This Index Description is governed by German law.

Description of HVB Star Funds Excess Return Risk Control Index

This Index Description in relation to the UniCredit Star Funds Excess Return Risk Control Index describes the full terms and conditions for the constitution and calculation of the Index by the Index Sponsor and the Index Calculation Agent, as applicable. In particular it provides information about the underlying assets, definitions, Extraordinary Events and Market Disruptions.

The UniCredit Star Funds Excess Return Risk Control Index (WKN: A11RSN / ISIN: DE000A11RSN1) (the "**Index**") is a EUR denominated Index (the "**Index Currency**") calculated and rebalanced by UniCredit Bank AG, Kardinal-Faulhaber Straße 1, 80333 Munich (the "**Index Calculation Agent**") and created, maintained and published by UniCredit Bank AG, Kardinal-Faulhaber Straße 1, 80333 Munich (the "**Index Sponsor**"). The Index is calculated on a daily basis by the Index Calculation Agent.

Section A. Definitions and General Information

I. Definitions

For the purposes of this description (the "**Index Description**"), the following terms have the following meanings:

"**Business Day**" means any day (other than a Saturday or Sunday) on which each domestic main clearance system commonly used for the settlement of transactions in relation to the Index Components, as well as the Trans-European Automated Real-Time Settlement Express Transfer (TARGET2) System is open.

"**Fund Share**" means an ownership interest issued to or held by an investor in a Reference Fund

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in shares (including Fund Shares), options, futures, derivatives or foreign exchange transactions, (ii) securities lending transactions or (iii) other instruments or arrangements (howsoever described), directly or indirectly entered into by a Hedging Party in order to hedge, individually or on a portfolio basis, any products or transactions linked to the Index.

"**Hedging Party**" means a hypothetical party who would hedge its obligations in respect of any products or transactions linked to the Index.

"**Hypothetical Investor**" Means, with respect to a Fund Share, a hypothetical or actual investor (as determined by the Index Calculation Agent in the context of the relevant situation) in such Fund Share located in the same jurisdiction and tax status as the Index Sponsor and deemed to have the benefits and obligations, as provided in the Fund Documents, of an investor holding the Fund Share at any time.

"**Index Components**" are the Fund Shares included in the Reference Fund Basket at a given time.

"**Index Currency**" means Euro ("**EUR**").

"**Index Level**" has the meaning given in *Section C – I. Index Level Calculation*.

"**Index Level Determination Date**" means any Business Day on which the issue and redemption of Fund Shares of each Reference Fund as described in the relevant Reference Fund Documents, is possible.

"**Index Start Date**" means 1 July 2014.

"**Investment Manager**" means the investment manager of the respective Reference Fund as outlined in the Fund Documents.

"**Net Asset Value**" or "**NAV**" per Fund Share, means with respect to the relevant Fund Shares and a Reference Fund Valuation Date the net asset value (or equivalent value) per Fund Share as of the relevant Reference Fund Valuation Date as recently reported by the respective Reference Fund Service Provider that generally publishes or reports such value on behalf of the Reference Fund to its investors or a publishing service, provided that the Index Sponsor may adjust any Net Asset Value as set out in *Section D – II. Adjustment of Net Asset Value* below.

"Reference Funds" means the investment funds contained in the Reference Fund Basket as described in *Section B – II. Index Composition*, subject to the provisions of *Section D* below (each a **"Reference Fund"**).

"Reference Fund Basket" is a basket of Reference Funds as described in *Section B – II. Index Composition*, subject to the provisions of *Section D* below.

"Reference Fund Basket Value" in respect of Index Level Determination Date *t*, is the value of the Reference Fund Basket at Index Level Determination Date *t* calculated by the Index Calculation Agent as set out in *Section C – I. Index Level Calculation*.

"Reference Fund Company" means, in relation to a Reference Fund, the management company of the respective Reference Fund.

"Reference Fund Documents" means, in relation to a Reference Fund, – in each case, if available and in the respective most recent version – the annual report, the half-yearly report, the sales prospectus, the terms and conditions of the Reference Fund, the key investor information and all other documents of the Reference Fund in which the terms and conditions of the Reference Fund and of the Fund Shares are specified.

"Reference Fund Service Provider" means, in respect of any Reference Fund, any person who is appointed to provide services, directly or indirectly, to that Reference Fund, whether or not specified in the Reference Fund Documents, including any advisor, manager, administrator, operator, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person as may be specified in these Index Rules;

"Reference Fund Valuation Date" means any date as of which, in accordance with the Reference Fund Documents, the Reference Fund or the Reference Fund Company or the Reference Fund Service Provider that generally determines such value is or, but for the occurrence of an Extraordinary Reference Fund Event, would have been scheduled to determine the NAV per Fund Share.

II. General Information and Disclaimer

The information with regard to a Reference Fund given by this Index Description is for information purposes only for the benefit of counterparties who intend to enter into related OTC derivative transactions. The content of this Index Description constitutes no offer for subscription of fund shares. The suitability of a Reference Fund is in each case subject to an autonomous decision of each investor.

For the Calculation of the Index Level, the Index Calculation Agent relies on statements, confirmations, computations, assurances and other information provided by third parties. Any inaccuracies contained in such information may have an impact on the calculation of the Index Level. UniCredit Bank AG in its role as Index Sponsor respectively as Index Calculation Agent has no obligation to verify this information independently.

The Index is comprised solely in the form of data sets and provides neither a direct nor an indirect or an economic or a legal ownership or ownership position of the Index Components. Each of the allocations described herein within the Index Components is executed only hypothetically, by changing the relevant data. An obligation of the Index Sponsor, the Index Calculation Agent, or a Hedge Party to the direct or indirect acquisition of the Index Components does not exist. As the case may be, any remuneration paid by the Reference Fund Company, or any distributions paid by a Reference Fund, which is/are paid to the Index Sponsor in its capacity as Hedging Party will not be distributed to the counterparties of related OTC derivative transactions or reinvested to the Index, but will be accounted by the Index Sponsor in his capacity as Hedging Party in its internal pricing models by lower costs for the return mechanism. This Index Description provides the description of the Index as of 23 June 2014. The Index is subject to changes and adjustments by the Index Sponsor.

Subject to the provisions of *Section D*, the Index Sponsor will employ the calculation methods described above. The Index Sponsor's determinations shall be final except where there is a manifest error.

Section B. General Index Information

I. Index Objective

The objective of the Index is to provide synthetic exposure to the performance of a notional basket of Fund Shares (the "**Reference Fund Basket**"). The Index aims to track the performance of flexible funds with a daily liquidity and with a proven track record seizing opportunities across different asset classes as equities across different geographical zones, government bonds, investment grade bonds, high-yield bonds, etc.

The Index has a built in volatility control mechanism. When the Index Calculation Agent determines that the realized volatility of the Reference Fund Basket over preceding 20-day or 60-day reference period exceeds the volatility target of 4% (the "**Target Volatility**"), then the exposure of the Index to the Reference Fund Basket will be reduced, with the aim of maintaining the realized volatility of the Index at the Target Volatility. When the Index Calculation Agent determines that the realized volatility of the Reference Fund Basket is below the Target Volatility and the exposure of the Index to the Reference Basket is below 150%, then the exposure of the Index to the Reference Fund Basket will be increased in order to maintain the realized Volatility of the Index at or below the Target Volatility. The maximum exposure of the Index to the Reference Basket is 150%. The Index starts on the Index Start Date with an initial level of 100 index points ("**Initial Index Level**").

The Index is an "excess return" index. As a consequence, the level of the Index reflects the performance of the strategy of the Index above a EUR short term rate.

There is no guarantee and no assurance (express or implied) is given that the Index or Reference Funds described here will achieve the described objective.

II. Index Composition

The Index represents a certain selection of Index Components and the Index Level is based on the value of the individual Index Components according to this Index Description. On the Index Start Date, the Index was comprised of the following Index Components and with the respective Index weightings ("**Index Weightings**") and currency denomination set out in the table below. Each Index Component being a Reference Fund, of the type 'Fund Share' ("**Component Type**"):

| i | Reference Fund (PR _i) | Currency | Bloomberg Code | ISIN | Index Weighting (W _i) |
|---|------------------------------------|----------|-------------------|--------------|-----------------------------------|
| 1 | Templeton Global Total Return Fund | EUR | TGTAACE LX Equity | LU0260870661 | 1/3 |
| 2 | JPM Global Income Fund | EUR | JPGIAEA LX Equity | LU0740858229 | 1/3 |
| 3 | M&G Optimal Income Fund Euro | EUR | MGOIAEA LN Equity | GB00B1VMCY93 | 1/3 |

To determine the Index Levels from the Index Start Date, values of the Index Components were required from a period of approximately 60 Business Days before the Index Start Date, (the "**Index Initial Data Date**") to establish the necessary performance history required for the operation of the Index Methodology.

Following the Index Start Date, the Index Calculation Agent shall review the composition of the Index and the Index Weightings of the Index Components within the Index on an ongoing basis and in accordance with the Index Methodology specified below and the rules governing the Index.

III. Roles of the Index Sponsor and the Index Calculation Agent

The Index Sponsor is (1) responsible in its reasonable discretion according to sec. 315 German Civil Code (*Bürgerliches Gesetzbuch*; "**BGB**") for setting and reviewing the rules and procedures, methods

of calculations and adjustments, if any, relating to the Index; and (2) announces (directly or through an agent) the level of such Index.

The Index Sponsor is not acting as a fiduciary or adviser to any investor in the Notes or any other person in relation to the Index.

The Index Calculation Agent performs all determinations and calculations relating to the Index specified in this description and will monitor and maintain certain data (the "**Index Data**") in respect of the Index.

The Index Calculation Agent is responsible for the calculation of the Index including and subject to the determination of any Extraordinary Events and Market Disruption as described in *Section E*. The Index Calculation Agent shall perform such determinations and calculations in respect to the maintenance of the rules and methodology for calculating the Index in good faith and in a commercially reasonable manner and maintains Index Data in accordance with the descriptions set out herein. All information contained in the Index Data (in the absence of manifest error) is final, conclusive and binding to the extent that the Index Calculation Agent reserves the right to change and adjust the Index Data in its reasonable discretion according to sec. 315 BGB or to rectify manifest errors.

The Index Calculation Agent may at any time in its sole discretion seek advice from third parties. The Index Calculation Agent may resign at any time, provided that, the resignation will take effect only if (i) a successor Index Calculation Agent has been appointed by the Index Sponsor appointed and (ii) such successor index calculation agent accepts its appointment, and (iii) the successor index calculation agent assumes the rights and obligations of the Index Calculation Agent.

UniCredit Bank AG in its role as Index Calculation Agent as well as Index Sponsor will take reasonable care in carrying out its obligations and shall not be liable to any person for any losses, damages, claims, costs or expenses unless caused by gross negligence or wilful default of UniCredit Bank AG in its role as Index Calculation Agent as well as Index Sponsor. This applies also for any successor of UniCredit Bank AG in its role as Index Calculation Agent as well as Index Sponsor.

Section C. Description and Formula for calculating the Index

I. Index Level Calculation

The Index Level on the Index Start Date is 100. The Reference Basket Value on the Index Start Date is 100.

On each Index Level Determination Date t after the Index Start Date, the Index Level ("**Index_t**") will be determined by the Calculation Agent as follows:

$$Index_t = Index_{t-1} \times \left(1 + W_{t-1} \times \left(\frac{Basket_t}{Basket_{t-1}} - 1 \right) - W_{t-1} \times Euribor_{t-1} \times \frac{Act(t-1,t)}{360} \right)$$

Where

$$Basket_t = Basket_{t-1} \times \left[1 + \sum_{i=1}^N w_i \times \left(\frac{NAV_{i,t}}{NAV_{i,t-1}} - 1 \right) \right]$$

where:

"**Basket_t**" is the Reference Fund Basket Value on the Index Level Determination Date " t ".

"**Basket_{t-1}**" is the Reference Fund Basket Value on the Index Level Determination Date immediately preceding Index Level Determination Date " t ".

"**Index_{t-1}**" is the Index Level on the Index Level Determination Date immediately preceding Index Level Determination Date " t ".

"**W_{t-1}**" is the exposure of the Index to the Reference Fund Basket on the Index Level Determination Date immediately preceding the Index Level Determination Date " t ".

"**NAV_{i,t}**" is the Net Asset Value per Share of Index Component "PR_i" on Index Level Determination Date " t ".

"Act(t-1, t)" is the number of calendar days from but excluding Index Level Determination Date "t-1" up to and including the Index Level Determination Date "t".

"W_i" is the Weight of Index Component "PR_i".

"N" is the number of Index Components in the Index.

"Euribor_{t-1}" means the 3-Month EURIBOR rate, published as of 11:00 am Brussels time and that has been fixed two (2) Index Level Determination Dates prior to Index Level Determination Date "t-1" as determined by the Index Calculation Agent. Provided that if no rate is published, the Index Calculation Agent will determine such rate from other source as it in its reasonable discretion according to sec. 315 BGB may deem appropriate.

The calculation of the Index Level in relation to an Index Level Determination Date is undertaken on the Business Day when the Index Sponsor has acquired all of the respective Net Asset Values of the Reference Funds, all subject to Section E below.

II. Dynamic Allocation Rules

A target exposure of the Index to the portfolio of Index Components (the "Target Exposure") is then determined in accordance with the formula below, with the aim of maintaining a target volatility of 4.0%, based on the historical volatility of the Portfolio over both the preceding 20 Index Level Determination Dates and 60 Index Level Determination Dates.

$$W_t = \text{Max} \left(\text{Exposure}_{\min}, \text{Min} \left(\text{Exposure}_{\max}, \frac{\text{Target Volatility}}{\text{Max}(\text{Vol}_{20,t}, \text{Vol}_{60,t})} \right) \right)$$

Where:

Exposure_{min} = 0%

Exposure_{max} = 150%

Target Volatility = 4.0%

$$\text{Vol}_{20,t} = \sqrt{\frac{\sum_{p=0}^{19} \left(\text{Ln} \left[\frac{\text{Basket}_{t-p-2}}{\text{Basket}_{t-p-3}} \right] \right)^2 - \frac{1}{20} \left(\sum_{p=0}^{19} \text{Ln} \left[\frac{\text{Basket}_{t-p-2}}{\text{Basket}_{t-p-3}} \right] \right)^2}{19}} \times \sqrt{252}$$

$$\text{Vol}_{60,t} = \sqrt{\frac{\sum_{p=0}^{59} \left(\text{Ln} \left[\frac{\text{Basket}_{t-p-2}}{\text{Basket}_{t-p-3}} \right] \right)^2 - \frac{1}{60} \left(\sum_{p=0}^{59} \text{Ln} \left[\frac{\text{Basket}_{t-p-2}}{\text{Basket}_{t-p-3}} \right] \right)^2}{59}} \times \sqrt{252}$$

where:

"Vol_{20,t}" means in respect of Index Level Determination Date t, the 20 days volatility rate, determined in accordance with the above formula provided by the Index Calculation Agent who will determine the Reference Fund Basket Value for each day required as if such date were a Valuation Date notwithstanding any such date falling prior to the Index Start Date.

"Vol_{60,t}" means in respect of Index Level Determination Date t, the 60 days volatility rate, determined in accordance with the above formula provided by the Index Calculation Agent who will determine the Reference Fund Basket Value for each day required as if such date were a Valuation Date notwithstanding any such date falling prior to the Index Start Date;

"Ln[x]" denotes the natural logarithm of "x".

"t" denotes the Index Level Determination Date "t".

"252" is the annualizing factor for the determination of the realized volatility and represents the expected number of Index Level Determination Dates in each calendar year.

When adjusting or constituting the composition of the Reference Portfolio, the Index Calculation Agent may delay it in its reasonable discretion according to sec. 315 BGB the rebalancing of the Reference Portfolio and/or make other adjustments to this Index Description or the determination and/or calculation of the Index to take into account a Hypothetical Investor's ability to subscribe or redeem Fund Shares of the Reference Funds when the allocation to the Reference Portfolio is modified, also taking into consideration liquidity conditions, subscription notice periods, redemption notice periods as well as any subscription or redemption charges of the Reference Funds.

Section D. Extraordinary Events, Adjustments and Market Disruptions

I. Extraordinary Events

If the Index Calculation Agent determines in its reasonable discretion according to sec. 315 BGB that an Extraordinary Event exists or occurs then it may at its option but is not required to take any of the actions set out in this *Section D – I. Extraordinary Events (Adjustments, Index Component Replacement and Index Cancellation)*. This is without prejudice to the rights of the Index Calculation Agent as set out in this *Section D – II. Adjustment of Net Asset Value and III. Market Disruption Event* below, and in the event that the Index Calculation Agent has the power to take action under both this *Section D. – I. Extraordinary Events* and such *Sections D. – II. Adjustment of Net Asset Value and/or III. Market Disruption Event* below, the Index Calculation Agent may, in its reasonable discretion according to sec. 315 BGB, select which of the relevant provisions to apply.

For these purposes "Extraordinary Event" means one or more Fund Events as defined in *Section D. – I. Extraordinary Events (Fund Events)* below and/or any of the other events or circumstances described in this *Section D* in respect of which the Index Calculation Agent is entitled to make an adjustment or take any other relevant action as described in this *Section D* in relation to the Index.

Adjustments

In the case an Extraordinary Event or several Extraordinary Events occur (in particular a change to the dealing schedule for or suspension of subscription or redemption of an Index Component) or regulatory, legal, tax, accounting or market conditions occur that require a modification or change of the Index calculation method, the Index Calculation Agent is entitled, in its reasonable discretion, to make such changes or modifications as it considers necessary or desirable, including for the purposes of Hedge Positions. The Index Calculation Agent will use reasonable endeavours to ensure that the adjusted method of calculation, taking into account the economically practicable possibilities with reasonable discretion of the Index Calculation Agent with respect to the application of the Index, is consistent with the method of calculation described above.

The Index Calculation Agent is entitled, in reasonable discretion, to spread a modification of an adjustment of weights of Index Components over multiple days, with the aim to reduce the impact on the price of a Reference Fund and its portfolio components. Without limitation this may be applicable in circumstances where a Hedging Party respectively adjusts its hedging transactions with respect to its Hedge Positions.

The Index Sponsor is entitled to modify or amend the Index Description in such manner as the Index Sponsor reasonably deems necessary, or to restate the Index Level, in order to cure formal, proven or manifest errors or to cure, correct or supplement defective provisions.

Index Component Replacement

If an Extraordinary Event or several Extraordinary Events exist or occur with respect to one or more Index Component(s), the Index Calculation Agent is entitled to substitute any or each affected Index Component with a new index component (the "**Replacement Index Component**") in part or completely in its reasonable discretion. The Index Calculation Agent shall use reasonable efforts to identify a Replacement Index Component with liquidity, distribution policy, management company, and investment strategy similar to the relevant affected Index Component. The Index Calculation Agent may determine that the Replacement Index Component is a benchmark index. The weights of the Index Components may be adjusted accordingly to take into account any such new Index Component. The relevant affected Index Component will be substituted with the Replacement Index Component in one or more adjustments to the Index, taking into account each payment of liquidation proceeds (if any) that the Index Calculation Agent determines a Hedging Party, if holding the affected Index Com-

ponent, would receive from such Index Component, in each case within ten Business Days after the Hedging Party would have received the relevant amount, partially or in total, to the extent that the Index Calculation Agent deems, in its discretion, reasonable and practicable.

In the case that an Index Component is replaced, the Index will be calculated on the basis of such Replacement Index Component following the date of such adjustment. Commencing with the first application of the Replacement Index Component, any reference to Index Component in the Index Description, depending on context, shall be deemed to refer to the Replacement Index Component.

Index Cancellation

The Index Calculation Agent will be entitled following the occurrence of any Extraordinary Event to cease its calculation and determination of the Index, either temporarily or on a permanent basis. Where the Index Calculation Agent elects to permanently cease to calculate and determine the Index, the Index shall be cancelled.

Fund Events

As used herein, "Fund Event" is, in the reasonable discretion of the Index Calculation Agent any of the following events with respect to a Reference Fund that occurs on or after the Index Start Date:

- a) material modification to any provisions in any of the Reference Fund Documents, or other document detailing the terms and conditions and objectives of the respective Reference Fund without consent of the Index Sponsor and which may adversely in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent the ability of the Hedging Party, respectively, to hedge its obligations under the Hedge Positions, respectively; in particular including but not limited to such changes as (i) a change in the risk profile of the respective Reference Fund; (ii) an alteration of the investment objectives, investment limits or strategy of the respective Reference Fund; (iii) a change in the currency of the respective Fund Shares; (iv) an alteration of the method that is used for the calculation of the NAV; (v) a change in the dealing schedule for subscription, issue, redemption or transfer of the respective Fund Shares;
- b) requests for redemptions, subscriptions or transfers of Fund Shares are not executed or are only partially executed or subscriptions or redemptions are suspended by the Reference Fund, the Reference Fund Company or the Reference Fund Service Provider or fund distributor;
- c) where a Reference Fund or any third party imposes any restriction, charge, commission, taxes or fees in respect of the sale or purchase, subscription or redemption of the respective Fund Shares (other than the restrictions, fees, commissions and charges in existence as at the time the Fund Shares are included in the Index);
- d) the Reference Fund Company or the Reference Fund Service Provider appointed for this purpose by the Reference Fund Company fails to publish the NAV as scheduled or in accordance with normal practice or as specified in the Reference Fund Documents;
- e) change in the legal nature of the respective Reference Fund;
- f) a resignation or replacement of any key person of the Reference Fund Company or the Investment Manager;
- g) (i) any change in the legal, accounting, tax, regulatory or supervisory treatment in respect of the respective Reference Fund or Reference Fund Company; or (ii) the suspension, cancellation, revocation or absence of the registration or accreditation of the Reference Fund or of the Reference Fund Company; or (iii) the revocation of a corresponding authorisation or licence in respect of the Reference Fund or Reference Fund Company by a competent authority; or (iv) the initiation of investigatory proceedings by the supervisory authorities, a conviction by a court or an order by a competent authority relating to the activities of the Reference Fund, the Reference Fund Company or a Reference Fund Service Provider, or of individuals in key positions as a result of misconduct, a violation of the law or for similar reasons;
- h) a breach by the Reference Fund or the Reference Fund Company of the investment objectives, the investment strategy or the investment restrictions of the Reference Fund (as defined in the Fund Documents) that is material in the reasonable discretion (§ 315 BGB) of the Index Cal-

ulation Agent, or a breach of statutory or regulatory requirements by the Reference Fund or the Fund Company;

- i) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) which, in the reasonable discretion of the Index Calculation Agent (§ 315 BGB), requires the Hedging Party, in relation to the subscription, redemption or holding of Fund Shares, (i) to create a reserve or provision, or (ii) to increase the amount of regulatory capital held by the Hedging Party with respect to its hedging transactions to an extent that is significant in comparison with the conditions applying on the Index Start Date;
- j) a change in laws or regulations or in their implementation or interpretation (whether formally or informally) as a result of which compliance by the Hedging Party with the terms of the agreements it has entered into for the purpose of hedging its obligations under the Hedging Positions would become unlawful or impracticable or would entail substantially higher costs;
- k) a Reference Fund Company, Investment Manager or a Reference Fund is in material breach or any of its existing agreement(s) with the Hedging Party in respect of the distribution of the Fund Shares is terminated or the retrocession payable to the Hedging Party on any Fund Share is reduced;
- l) an increase in the proportion of the volume held by the Hedging Party alone or together with a third party with which the Hedging Party in turn enters into hedging transactions beyond 20% of the outstanding Fund Shares in the Reference Fund;
- m) the Hedging Party would be required pursuant to any accounting or other applicable regulations to consolidate the Reference Fund, as a result of its obligations under the Hedge Positions;
- n) the sale or redemption of Fund Shares for reasons affecting the Hedging Party, provided that this is not solely for the purpose of entering into or unwinding hedging transactions
- o) an event or circumstance that has or could have the following effects: (i) the suspension of the issuance of additional Fund Shares or of the redemption of existing Fund Shares, (ii) the reduction of the number of Fund Shares of a shareholder in the Reference Fund for reasons outside the control of that shareholder, (iii) the subdivision, consolidation or reclassification of the Fund Shares, (iv) payments in respect of a redemption of Fund Shares being made partly or wholly by means of a distribution in kind instead of for cash or (v) the creation of side pockets for segregated assets of the Reference Fund;
- p) the Reference Fund Company or a Reference Fund Service Provider discontinues its services for the Reference Fund or loses its accreditation, approval, authorisation or licence and is not immediately replaced by another services provider which in the reasonable discretion of the Index Calculation Agent (§ 315 BGB) is of similarly good standing;
- q) i) an order or valid resolution for a winding-up, dissolution, termination, liquidation or an event with similar effects in relation to the Reference Fund or the Fund Shares, (ii) the initiation of composition, bankruptcy or insolvency proceedings, a demerger or spin-off, a reclassification or consolidation, such as a change in the share class of the Reference Fund or the merger of the Reference Fund into or with another fund, (iii) a requirement to transfer all the Fund Shares to a trustee, liquidator, insolvency administrator or similar office-holder or (iv) the legal prohibition of transfers of the Fund Shares by the shareholders;
- r) the initiation of composition, bankruptcy, insolvency, dissolution or comparable proceedings with respect to the Reference Fund Company;
- s) a de-merger, reclassification of the respective Reference Fund or consolidation (e.g. the change of the share class of the Reference Fund or the merger of the Reference Fund) with another fund;
- t) a change in the tax laws and regulations or in their implementation or interpretation which has negative consequences for the Hedging Party in the reasonable discretion (§ 315 BGB) of the Index Calculation Agent;

- u) no relevant data is provided for the calculation of the taxable basis for the Reference Fund in accordance with § 5 (1) of the German Investment Tax Act (*Investmentsteuergesetz*, "**InvStG**") or the Reference Fund or the Reference Fund Company has announced that no relevant data will be provided in accordance with § 5 (1) InvStG in the future;
- v) changes in the investment or distribution policy of the Reference Fund which could have a substantial negative effect on the amount of the Reference Fund's distributions, or distributions which diverge significantly from the Reference Fund's normal distribution policy to date;
- w) the Reference Fund or the Reference Fund Company or a company affiliated to it, breaches the agreement entered into with the Hedging Party in relation to the Reference Fund in a significant respect or terminates that agreement;
- x) the Reference Fund or the Reference Fund Company, contrary to normal practice to date, fails to provide the Index Calculation Agent with information that the latter reasonably considers necessary to enable it to monitor compliance with the Reference Fund's investment guidelines or restrictions in a timely manner;
- y) the Reference Fund or the Reference Fund Company fails to provide the Index Calculation Agent with the audited statement of accounts and, where relevant, the half-yearly report as soon as possible after receiving a corresponding request;
- z) any other event that could have a noticeable adverse effect on the NAV of the Reference Fund or on the ability of the Hedging Party to hedge its obligations under the hedging transactions on more than a temporary basis;
- aa) the NAV is no longer published in the Index Currency,
- bb) the occurrence of a "Fund Merger Event" which means in respect of a Reference Fund or its Investment Manager, there is;
 - (1) an irrevocable commitment to transfer all of the relevant Fund Shares or shares that are outstanding;
 - (2) a consolidation, amalgamation or merger of such Reference Fund or such Investment Manager with or into another fund or investment manager other than a consolidation, amalgamation or merger in which such Reference Fund or its Investment Manager is the continuing Reference Fund or Investment Manager as the case may be; and/or
 - (3) a takeover offer for such Reference Fund or Investment Manager that results in a transfer of or an irrevocable commitment to transfer all of the relevant Fund Shares or all the shares of such Investment Manager (other than Fund Shares or shares owned or controlled by the offeror);
- cc) the Hedging Party is unable, or it is impracticable for the Hedge Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to a Fund Share of entering into and performing its obligations with respect to its Hedge Positions, or (ii) realize, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increases in charges or fees imposed by the relevant Reference Fund on any investor's ability to redeem such Fund Shares, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Shares, or (B) any mandatory redemption, in whole or in part, of such Fund Shares imposed by the relevant Reference Fund (in each case other than any restriction in existence on the date on which such Fund Shares was first included in the Index);
- dd) an order has been made or an effective resolution passed for the winding up, dissolution, termination, liquidation or an event with analogous effect, of the respective Reference Fund or its share class; or
- ee) any event occurs that would, if the Hedging Party and/or any affiliate were holding, purchasing or selling Fund Shares, have the effect of (i) imposing on the Hedging Party and/or any affiliate, any reserve, special deposit or similar requirement which did not exist as of the Index

Start Date or (ii) affecting the amount of regulatory capital that would have to be maintained by the Hedging Party and/or any affiliate in connection with any Hedge Positions or hedging arrangements carried out by the Hedging Party and/or any affiliate in relation to this Index or modifying such requirement existing as at the Index Start Date.

The Index Sponsor or the Index Calculation Agent have no obligation to monitor the occurrence of any of the events described above. The Index Calculation Agent is entitled but has no obligation to determine that a Fund Event has occurred following the occurrence of any of the described events and the Index Calculation Agent is not subject to any time limit in making or determining not to make any such determination.

II. Adjustment of Net Asset Value

The Index Calculation Agent may in its reasonable discretion according to sec. 315 BGB adjust (in connection with the calculation of the Index Level) the Net Asset Value of the Fund Shares of a Reference Fund in the following cases:

1. A levy or fee is introduced in connection with the subscription or redemption of Fund Shares.
2. A Hedging Party redeeming Fund Shares in accordance with the Reference Fund Documents would not have received the full redemption proceeds from the Fund Shares within the customary time-frame.

In the case of manifest error or error in publication of Net Asset Value of the Fund Shares of a Reference Fund by the respective Reference Fund Company or Reference Fund Service Provider or in case the published Net Asset Value as it is used by the Index Calculation Agent as a basis for calculating the Index is subsequently corrected, where the Index Calculation Agent considers the impact thereof material to the Index it may, in its reasonable discretion according to sec. 315 BGB, adjust the Index Level and/or any constituents of the Index Level calculation, the allocations of the Index and/or any other provisions of the Index, whether retrospectively or otherwise, to account for this.

III. Market Disruption Event

If a Hedging Party on an Index Level Determination Date cannot or would not be able to subscribe for or redeem Fund Shares or no Net Asset Value of a Reference Fund is published or made available, or such a publication is with a delay, then the Index Calculation Agent may in its reasonable discretion alternatively use the calculation methods as described in *Section D. – II. Adjustment of Net Asset Value*, to determine the redemption and subscription amounts or use the last recently published Net Asset Value. Where the Net Asset Value of a Reference Fund is not made available by the Reference Fund Company or a Reference Fund Service Provider, the Index Calculation Agent may delay the calculation of the Index Level. Where no Net Asset Value is made available for more than thirty Business Days, the Index Calculation Agent shall be entitled but not obliged to make an estimate of the Net Asset Value in its reasonable discretion according to section 315 BGB without any obligation for giving account according to section 259 BGB and taking into account the then prevailing market conditions.

Section E. Publication

The Index Level is published by the Index Sponsor on the Reuters page .UCGRFRC1 and on Bloomberg under the ticker UCGRFRC1 Index <go>.

FORM OF FINAL TERMS

Final Terms

dated [•]

[Insert name of the Issuer]

Issue of [Insert title of the Securities]

(the "Securities")

[guaranteed by

UniCredit S.p.A.]

under the

[Euro 50,000,000,000] [Euro 1,000,000,000]

Debt Issuance Programme of

[UniCredit Bank AG] [UniCredit International Bank (Luxembourg) S.A.]

These final terms (the "Final Terms") have been prepared for the purposes of Article 5 para. 4 of the Directive 2003/71/EC, as amended (the "Prospectus Directive"). In order to get the full information the Final Terms are to be read together with the information contained in (a) the base prospectus of UniCredit Bank AG and UniCredit International Bank (Luxembourg) S.A. (each an "Issuer" and together the "Issuers") dated 20 October 2014 for the issuance of Fund-linked Securities (the "Base Prospectus"), (b) any supplements to this Base Prospectus (the "Supplements"), (c) the registration document of HVB dated 25 April 2014 (the "Registration Document"), whose information is incorporated herein by reference, and (d) the 60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 2 July 2014 (the "EMTN Programme"), whose information is incorporated herein by reference and in any supplements thereto.

The Base Prospectus, any Supplements and these Final Terms are available [at UniCredit Bank AG, Arabellastr. 12, 81925 Munich, Federal Republic of Germany, and in addition] [in printed version free of charge at UniCredit International Bank (Luxembourg) S.A., 8-10 rue Jean Monnet, L-2180 Luxembourg, and in addition] on the website [Insert][www.bourse.lu] or any successor website thereof.

An issue specific summary is annexed to these Final Terms.

SECTION A – GENERAL INFORMATION

Issue date and issue price:

[Insert issue date]³²

[The issue date for each Security is specified in § 1 of the Product and Underlying Data.]

[In the case of an offer where the Issue price is not specified on the date of these Final Terms, insert:

[up to][Insert maximum issue price]³³

The issue price per Security will be specified on [Insert date]. The issue price and the on-going offer

³² In the case of multi series issuances the issue dates of each series may be included in tabular form.

³³ In the case of multi series issuances the issue prices of each series may be included in tabular form.

price of the Securities will be published [on the websites of the stock exchanges where the Securities will be traded] [on [www.bourse.lu] [*Insert website*] (or any successor website)] after its specification.]

[In the case of an offer where the Issue price is specified on the date of these Final Terms, insert:

[*Insert Issue Price*]³⁴

[The issue price per Security is specified in § 1 of the Product and Underlying Data.]]

Selling concession:

[Not applicable] [*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 and Underlying Data.

The issue volume of [the] [each] Tranche [offered] [issued] under and described in these Final Terms is specified in § 1 of the Product and Underlying Data.

Product Type:

[Fund-linked Garant Securities] [Fund-linked Garant Cap Securities]

[Fund Index Securities with Minimum Amount] [Fund Index Securities with Minimum Amount and Cap]

[Fund Reverse Convertible Securities]

[Fund-linked Sprint Securities] [Fund-linked Sprint Cap Securities]

[Fund-linked Garant Basket Securities] [Fund-linked Garant Cap Basket Securities]

[Fund-linked Garant Rainbow Securities] [Fund-linked Garant Cap Rainbow Securities]

[Fund Index Performance Telescope Securities] [Garant Performance Telescope Securities]

[Garant Performance Telescope Basket Securities] [Fund Index Telescope Securities]

[Garant Telescope Securities]

Admission to trading and listing:

[If an application of admission to trading of the Securities has been or will be made, the following applies:

Application [has been] [will be] made for the Securities to be admitted to trading with effect from [*Insert expected date*] on the following regulated or other equivalent markets: [Luxembourg Stock Exchange][*Insert other relevant regulated or other equivalent market(s)*].]

[*In the case of Securities that are listed with [*Insert relevant regulated or unregulated 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 unregulated market(s)*], where the Securities are expected to be listed. The obligations of the Market Maker are regulated by the rules of the markets organized and managed by [*Insert relevant regulated or unregulated market(s)*], and the relevant instructions to such rules. [Moreover, the Market Maker undertakes to apply, in normal market conditions, a spread between bid and offer quotes not greater than [*•*] %.]

³⁴ In the case of multi series issuances the issue prices of each series may be included in tabular form.

[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 equivalent markets]*

[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.]

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]

Notification:

The Commission de Surveillance du Secteur Financier ("CSSF") has provided to the competent authorities in [Germany][and][,][France][and][,][Belgium][and][,][Ireland][and][,][United Kingdom][and][,][Poland][and][,][Czech Republic][and][,][Slovakia][and][Austria] a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Terms and conditions of the offer:

[Day of the first public offer: *[Insert the day of the first public offer regarding the current 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]*.

The Issuer reserves the right to extend or shorten the Subscription Period or to withdraw the issue during the Subscription Period.]

[A public offer will be made in [Germany][,] [and] [Austria][,] [and] [Luxembourg][,] [and] [France][,] [and] [Belgium][,] [and] [Ireland][,] [and] [United Kingdom][,] [and] [the Czech Republic][,] [and] [Poland][,] [and] [Slovakia].]

[The smallest transferable unit is *[Insert smallest transferable unit]*].]

[The smallest tradable unit is *[Insert smallest tradable unit]*].]

The Securities [will be] [have been] offered to [qualified investors][,] [and/or] [retail investors] [and/or] [institutional investors] [by way of [a private placement] [a public offering]] [by financial intermediaries].

[As of the day of the first public offer the Securities described in the Final Terms will be offered on a continuous basis.]

[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. The Securities shall be admitted to trading on a regulated market.]

[Application to listing [has been] [will be] made as of *[Insert expected date]* on the following markets: *[Insert relevant market(s)]*].]

Consent to the use of the Base Prospectus:

[In the case of a general consent, the following applies:

The Issuer consents to the use of the Base Prospectus by all financial intermediaries (so-called general consent).]

General consent for the subsequent resale or final placement of Securities by the financial intermediary[ies] is given in relation to [Germany][,] [and] [Austria][,] [and] [France][,] [and] [Luxembourg][,] [and] [Belgium][,] [and] [Ireland][,] [and] [United Kingdom][,] [and] [the Czech Republic][,] [and] [Poland][,] [and] [Slovakia].]

[In the case of an individual consent the following applies:

The Issuer consents to the use of the Base Prospectus by the following financial intermediaries (so-called individual consent):

[Insert name(s) and address(es)].

Individual consent for the subsequent resale or final placement of the Securities by the financial intermediary[ies] is given in relation to [Germany][,] [and] [Austria][,] [and] [France][,] [and] [Luxembourg][,] [and] [Belgium][,] [and] [Ireland][,] [and] [United Kingdom][,] [and] [Czech Republic][,] [and] [Poland][,] [and] [Slovakia] to *[Insert name[s] and address[es]]* [*[Insert details]*].]

[The Issuer's consent to the use of the Base Prospectus is subject to the condition that each financial intermediary complies with the applicable selling restrictions and the terms and conditions of the offer.

[Moreover, the Issuer's consent to the use of the Base Prospectus is subject to the condition that the financial intermediary using the Base Prospectus commits itself towards its customers to a responsible distribution of the Securities. This commitment is made by the publication of the financial intermediary on its website stating that the prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent.]

Besides, the consent is not subject to any other conditions.]

[Not applicable. No consent is given.]

US Selling Restrictions:

[TEFRA C]

[TEFRA D]

[Neither TEFRA C nor TEFRA D]³⁵

Interest of Natural and Legal Persons involved in the Issue/Offer:

[With regard to trading of the Securities the Issuer has a conflict of interest being also the Market Maker on the [Insert relevant regulated or (an) unregulated market(s)]; [moreover] [[T][t]he [Insert relevant regulated or (an) unregulated market(s)] is organized and managed by [Insert name], a company in which UniCredit S.p.A. – the Holding Company of UniCredit Bank AG as the Issuer – has a stake in.] [The Issuer is also the arranger and the Calculation Agent of the Securities.]

Additional information:

[Insert additional provisions³⁶]

[Not applicable]

³⁵ Only applicable in the case of Securities, which are qualified as registered obligation in terms of Section 5f.103-1 of the United States Treasury Regulations and Notice 2012-20, and in case of Securities in bearer form (bearer securities) in terms of Notice 2012-20 of the United States Internal Revenue Service (IRS) with a maturity of one year or less (including unilateral rollovers or extensions).

³⁶ Only such additional information will be included that are foreseen in Annex XXI of the Prospectus Directive (Commission Regulation (EC) No 809/2004 of 29 April 2004.

SECTION B – CONDITIONS:

Part A - General Conditions of the Securities

Form, Clearing System, Global Note, Custody

| | |
|-------------------------|--|
| Type of the Securities: | [notes] [certificates] |
| Global Note: | [The Securities are represented by a permanent global note without interest coupons] [The Securities are initially represented by a temporary global note without interest coupons which will be exchangeable for a permanent global note without interest coupons] |
| Principal Paying Agent: | [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom] [<i>Insert name and address of other paying agent</i>] |
| French Paying Agent: | [CACEIS Bank S.A., 1-3 rue place Valhubert, 75206 Paris Cedex 13, France] [<i>Insert name and address of other French Paying Agent</i>] [not applicable] |
| Calculation Agent: | [UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany] [<i>Insert name and address of other calculation agent</i>] |
| Custody: | [CBF] [CBL and Euroclear Bank] [Euroclear France] [<i>Other</i>] |

Part B - Product and Underlying Data

[Insert "Product and Underlying Data" (including relevant options contained therein) and complete relevant placeholders]

Part C - Special Conditions of the Securities

[In the case of Garant Securities, insert Option 1 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Fund Index Securities, insert Option 2 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Fund Reverse Convertible Securities, insert Option 3 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Sprint Securities and Sprint Cap Securities, insert Option 4 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Garant Basket Securities and Garant Cap Basket Securities, insert Option 5 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Garant Rainbow Basket Securities and Garant Cap Rainbow Securities, insert Option 6 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Fund Index Performance Telescope Securities and Fund Index Performance Telescope Cap Securities, insert Option 7 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Garant Performance Telescope Securities and Garant Performance Telescope Cap Securities, insert Option 8 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Garant Performance Telescope Basket Securities and Garant Performance Telescope Cap Basket Securities, insert Option 9 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Fund Index Telescope Securities, insert Option 10 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[In the case of Garant Telescope Securities, insert Option 11 of the "Special Terms and Conditions of the Securities" (including relevant options contained therein) and complete relevant placeholders]

[UniCredit Bank AG] [UniCredit International Bank (Luxembourg) S.A.]

[In the case of Securities governed by German law and issued by UniCredit International Luxembourg, the following applies:

GUARANTEE

The guarantee (the "**Guarantee**") is applicable for Guaranteed Securities issued from time to time by UniCredit International Luxembourg under this Base Prospectus:

GUARANTEE

1. The Guarantor hereby irrevocably and (subject as provided in paragraph 2 below) unconditionally guarantees:
 - (i) the due and punctual payment of the principal of and interest on all Guaranteed Securities issued from time to time by UniCredit International Luxembourg and of all other amounts payable by UniCredit International Luxembourg under this Base Prospectus in relation to such Guaranteed Securities; and
 - (ii) the due and punctual performance and observance by UniCredit International Luxembourg of each of the other provisions of this Base Prospectus on its part to be performed or observed in relation to such Guaranteed Securities when issued by it.

For the avoidance of doubt, the Guarantor's obligations under this Guarantee shall only apply to Guaranteed Securities issued by UniCredit International Luxembourg from time to time.

2. The Guarantor's obligations under this Guarantee shall be limited to the aggregate amount of Euro 1,100,000,000 (the "**Maximum Guaranteed Amount**"). If the aggregate amount of liabilities due under the Guaranteed Securities exceeds the Maximum Guaranteed Amount, any and each Security Holder's claim under the Guarantee, including any and each Security Holder's claim for which payment has been previously made under the Guarantee, shall be reduced pro rata so that the aggregate amount of such liabilities shall not exceed the Maximum Guaranteed Amount, and any and each Security Holder who previously received payment under the Guarantee of an amount that exceeds such pro rata amount shall repay the excess amount to the Guarantor upon demand of the Guarantor.
3. The effectiveness of the Guarantee is subject to the actual issues of Guaranteed Securities by UniCredit International Luxembourg and limited to the overall amount of such issuances outstanding from time to time and such other amounts as provided for in subparagraphs (i) and (ii) of paragraph 1 above.
4. If UniCredit International Luxembourg fails for any reason whatsoever to pay any such principal, interest or other amount thereby giving rise to a default (being an event upon the happening of which the securities of any Series would, as therein provided, become immediately due and repayable), the Guarantor shall cause each and every such payment to be made as if the Guarantor instead of UniCredit International Luxembourg were expressed to be the primary obligor of the relevant Guaranteed Security and not merely as surety (but without affecting the Issuer's obligations) to the intent that the holder thereof shall receive the same amounts in respect of principal, interest or such other amount as would have been receivable had such payments been made by the Issuer.
5. If any payment received by any Security Holder pursuant to the provisions of this Base Prospectus in relation to such Guaranteed Securities shall (whether on the subsequent bankruptcy, insolvency or corporate reorganisation of the Issuer or, without limitation, on any other event) be avoided or set aside for any reason, such payment shall not be considered as discharging or diminishing the liability of the Guarantor and this Guarantee shall continue to apply as if such payment had at all times remained owing by UniCredit International Luxembourg and the Guarantor

shall indemnify the relevant Security Holder in respect thereof PROVIDED THAT the obligations of the Guarantor under this paragraph 5 shall, as regards each payment made to any Security Holder which is avoided or set aside, be contingent upon such payment being reimbursed to UniCredit International Luxembourg or other persons entitled through UniCredit International Luxembourg.

6. The Guarantor hereby agrees that its obligations hereunder shall (subject as provided in paragraph 2 above) be unconditional and that the Guarantor shall be fully liable irrespective of the validity, regularity, legality or enforceability against UniCredit International Luxembourg of, or of any defence or counter-claim whatsoever available to UniCredit International Luxembourg in relation to, its obligations under this Guarantee, whether or not any action has been taken to enforce the same or any judgment obtained against UniCredit International Luxembourg, whether or not any of the other provisions of this Base Prospectus have been modified, whether or not any time, indulgence, waiver, authorisation or consent has been granted to UniCredit International Luxembourg by or on behalf of the relevant Security Holders, whether or not there have been any dealings or transactions between UniCredit International Luxembourg, any of the relevant Security Holders, whether or not UniCredit International Luxembourg has been dissolved, liquidated, merged, consolidated, bankrupted or has changed its status, functions, control or ownership, whether or not UniCredit International Luxembourg has been prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation and whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor. Accordingly, the validity of this Guarantee shall not be affected by reason of any invalidity, irregularity, illegality or unenforceability of all or any of the obligations of UniCredit International Luxembourg under this Base Prospectus and this Guarantee shall not be discharged nor shall the liability of the Guarantor under this Guarantee be affected by any act, thing or omission or means whatever whereby its liability would not have been discharged if it had been the principal debtor.
7. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of UniCredit International Luxembourg, any right to require a proceeding first against UniCredit International Luxembourg, protest or notice with respect to the relevant Guaranteed Securities or the indebtedness evidenced thereby and all demands whatsoever and hereby covenants that this Guarantee shall be a continuing guarantee, shall extend to the ultimate balance of all sums payable and obligations owed by UniCredit International Luxembourg under this Base Prospectus in relation to the relevant Guaranteed Securities, shall not be discharged except by complete performance of the obligations contained in this Base Prospectus in relation to the relevant Guaranteed Securities and is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise.
8. If any moneys shall become payable by the Guarantor under this Guarantee the Guarantor shall not, so long as the same remain unpaid:
 - (i) in respect of any amounts paid by it under this Guarantee, exercise any rights of subrogation or contribution or, without limitation, any other right or remedy which may accrue to it in respect of or as a result of any such payment; or
 - (ii) in respect of any other moneys for the time being due to the Guarantor by UniCredit International Luxembourg, claim payment thereof or exercise any other right or remedy.

If, notwithstanding the foregoing, upon the bankruptcy, insolvency or liquidation of UniCredit International Luxembourg any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, shall be received by the Guarantor before payment in full of all principal of, and interest on, the relevant Guaranteed Securities shall have been made to the relevant Security Holders, such payment or distribution shall be received by the Guarantor on

trust to pay the same over towards the payment of all sums due and unpaid under this Base Prospectus.

9. The obligations of the Guarantor under this Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank and will rank *pari passu* with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
10. This Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, German law.

[In the case of Securities governed by English law and issued by UniCredit International Luxembourg, the following applies:

FORM OF ENGLISH LAW GUARANTEE

FORM OF DEED POLL GUARANTEE OF UNICREDIT S.P.A.

THIS GUARANTEE is given on [•] by UniCredit S.p.A. (the "**Guarantor**")

The guarantee (the "**Guarantee**") is applicable for Guaranteed Securities issued from time to time by UniCredit International Luxembourg under this Base Prospectus.

1. **NOW THIS DEED WITNESSETH** as follows: The Guarantor hereby irrevocably and (subject as provided in paragraph 2 below) unconditionally guarantees:
 - (i) the due and punctual payment of the principal of and interest on all Guaranteed Securities issued from time to time by UniCredit International Luxembourg and of all other amounts payable by UniCredit International Luxembourg under this Base Prospectus in relation to such Guaranteed Securities; and
 - (ii) the due and punctual performance and observance by UniCredit International Luxembourg of each of the other provisions of this Base Prospectus on its part to be performed or observed in relation to such Guaranteed Securities when issued by it.

For the avoidance of doubt, the Guarantor's obligations under this Guarantee shall only apply to Guaranteed Securities issued by UniCredit International Luxembourg from time to time.

2. The Guarantor's obligations under this Guarantee shall be limited to the aggregate amount of Euro 1,100,000,000 (the "**Maximum Guaranteed Amount**"). If the aggregate amount of liabilities due under the Guaranteed Securities exceeds the Maximum Guaranteed Amount, any and each Security Holder's claim under the Guarantee, including any and each Security Holder's claim for which payment has been previously made under the Guarantee, shall be reduced pro rata so that the aggregate amount of such liabilities shall not exceed the Maximum Guaranteed Amount, and any and each Security Holder who previously received payment under the Guarantee of an amount that exceeds such pro rata amount shall repay the excess amount to the Guarantor upon demand of the Guarantor.
3. The effectiveness of the Guarantee is subject to the actual issues of Guaranteed Securities by UniCredit International Luxembourg and limited to the overall amount of such issuances outstanding from time to time and such other amounts as provided for in subparagraphs (i) and (ii) of paragraph 1 above.
4. If UniCredit International Luxembourg fails for any reason whatsoever to pay any such principal, interest or other amount thereby giving rise to a default (being an event upon the happening of which the securities of any Series would, as therein provided, become immediately due and repayable), the Guarantor shall cause each and every such payment to be made as if the Guarantor instead of UniCredit International Luxembourg were expressed to be the primary obligor of the relevant Guaranteed Security and not merely as surety (but without affecting the Issuer's obligations) to the intent that the holder thereof shall receive the same amounts in respect of principal, interest or such other amount as would have been receivable had such payments been made by the Issuer.
5. If any payment received by any Security Holder pursuant to the provisions of this Base Prospectus in relation to such Guaranteed Securities shall (whether on the subsequent bankruptcy, insolvency or corporate reorganisation of the Issuer or, without limitation, on any other event) be avoided or set aside for any reason, such payment shall not be considered as discharging or

diminishing the liability of the Guarantor and this Guarantee shall continue to apply as if such payment had at all times remained owing by UniCredit International Luxembourg and the Guarantor shall indemnify the relevant Security Holder in respect thereof PROVIDED THAT the obligations of the Guarantor under this paragraph 5 shall, as regards each payment made to any Security Holder which is avoided or set aside, be contingent upon such payment being reimbursed to UniCredit International Luxembourg or other persons entitled through UniCredit International Luxembourg.

6. The Guarantor hereby agrees that its obligations hereunder shall (subject as provided in paragraph 2 above) be unconditional and that the Guarantor shall be fully liable irrespective of the validity, regularity, legality or enforceability against UniCredit International Luxembourg of, or of any defence or counter-claim whatsoever available to UniCredit International Luxembourg in relation to, its obligations under this Guarantee, whether or not any action has been taken to enforce the same or any judgment obtained against UniCredit International Luxembourg, whether or not any of the other provisions of this Base Prospectus have been modified, whether or not any time, indulgence, waiver, authorisation or consent has been granted to UniCredit International Luxembourg by or on behalf of the relevant Security Holders, whether or not there have been any dealings or transactions between UniCredit International Luxembourg, any of the relevant Security Holders, whether or not UniCredit International Luxembourg has been dissolved, liquidated, merged, consolidated, bankrupted or has changed its status, functions, control or ownership, whether or not UniCredit International Luxembourg has been prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation and whether or not any other circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor. Accordingly, the validity of this Guarantee shall not be affected by reason of any invalidity, irregularity, illegality or unenforceability of all or any of the obligations of UniCredit International Luxembourg under this Base Prospectus and this Guarantee shall not be discharged nor shall the liability of the Guarantor under this Guarantee be affected by any act, thing or omission or means whatever whereby its liability would not have been discharged if it had been the principal debtor.
7. The Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of dissolution, liquidation, merger or bankruptcy of UniCredit International Luxembourg, any right to require a proceeding first against UniCredit International Luxembourg, protest or notice with respect to the relevant Guaranteed Securities or the indebtedness evidenced thereby and all demands whatsoever and hereby covenants that this Guarantee shall be a continuing guarantee, shall extend to the ultimate balance of all sums payable and obligations owed by UniCredit International Luxembourg under this Base Prospectus in relation to the relevant Guaranteed Securities, shall not be discharged except by complete performance of the obligations contained in this Base Prospectus in relation to the relevant Guaranteed Securities and is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise.
8. If any moneys shall become payable by the Guarantor under this Guarantee the Guarantor shall not, so long as the same remain unpaid:
 - (i) in respect of any amounts paid by it under this Guarantee, exercise any rights of subrogation or contribution or, without limitation, any other right or remedy which may accrue to it in respect of or as a result of any such payment; or
 - (ii) in respect of any other moneys for the time being due to the Guarantor by UniCredit International Luxembourg, claim payment thereof or exercise any other right or remedy.

If, notwithstanding the foregoing, upon the bankruptcy, insolvency or liquidation of UniCredit International Luxembourg, any payment or distribution of assets of the Issuer of any kind or

character, whether in cash, property or securities, shall be received by the Guarantor before payment in full of all principal of, and interest on, the relevant Guaranteed Securities shall have been made to the relevant Security Holders, such payment or distribution shall be received by the Guarantor on trust to pay the same over towards the payment of all sums due and unpaid under this Base Prospectus.

9. The obligations of the Guarantor under this Guarantee constitute direct, unconditional, unsecured and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank and will rank *pari passu* with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
10. The Guarantor represents and warrants that all necessary governmental consents and authorisations for the giving and implementation of the Guarantee have been obtained.
11. This Guarantee shall enure for the benefit of the Security Holders and shall be deposited with and held by [the Principal Paying Agent].
12. This Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law.
13. (a) Subject to subparagraph (c) below, the Guarantor irrevocably agrees for the benefit of the Security Holders that the English courts are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Guarantee (including any dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) (a "**Dispute**") and accordingly submit to the exclusive jurisdiction of the English courts.
 - (b) The Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
 - (c) To the extent allowed by law, the Security Holders may, in respect of any Dispute or Disputes, take any suit, action or proceeding arising out of or in connection with this Guarantee (together referred to as "**Proceedings**") (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Guarantee) against the Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.
 - (d) The Guarantor appoints [•] at [•] as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of [•] being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

[INSERT RELEVANT DEED SIGNATURE BLOCK FOR UNICREDIT S.P.A.]

TAXATION

The Issuers does not assume any responsibility for the withholding of taxes at the source.

Germany

This Base Prospectus contains a general discussion of certain German tax consequences of the acquisition, the holding and the sale, as well as the assignment or redemption of Securities. It does not purport to be a comprehensive description of all tax considerations, which may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.

With regard to certain types of Securities, neither official statements of the tax authorities nor court decisions exist, and it is not clear how these Securities will be treated. Furthermore, there is often no consistent view in legal literature about the tax treatment of instruments like the Securities, and it is neither intended nor possible to mention all different views in the following section. Where reference is made to statements of the tax authorities, it should be noted that the tax authorities may change their view even with retroactive effect and that the tax courts are not bound by circulars of the tax authorities and, therefore, may take a different view. Even if court decisions exist with regard to certain types of securities, it is not certain that the same reasoning will apply to the Securities due to certain peculiarities of such Securities. Furthermore, the tax authorities may restrict the application of judgements of tax courts to the individual case with regard to which the judgement was rendered.

Prospective purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of the acquisition, holding and the sale, as well as the assignment or redemption of Securities, also regarding the effect of any state or local taxes, under the tax laws of Germany 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.

Tax Residents

Private Investors

Taxation of Interest and Capital Gains

Interest payable on the Securities to persons holding the Securities as private assets ("**Private Investors**") who are tax residents of Germany (i.e. persons whose residence or habitual abode is located in Germany) qualify as investment income (*Einkünfte aus Kapitalvermögen*) according to Sec. 20 para. 1 German Income Tax Act (*Einkommensteuergesetz*) and is, in general, taxed at a separate tax rate of 25% (*Abgeltungsteuer*, in the following also referred to as "**flat tax**") plus 5.5% solidarity surcharge thereon and, if applicable, church tax. Capital gains from the sale, assignment or redemption of the Securities, including interest having accrued up to the disposition of a Security and credited separately ("**Accrued Interest**", *Stückzinsen*, if any) qualify – irrespective of any holding period – as investment income pursuant to Sec. 20 para. 2 German Income Tax Act and are also taxed at the flat tax rate of 25%, plus 5.5% solidarity surcharge thereon and, if applicable, church tax. If the Securities are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale.

Capital gains are determined by taking the difference between the sale, assignment or redemption price (after the deduction of expenses directly and factually related to the sale, assignment or redemption) and the acquisition price of the Securities. Where the Securities are purchased, sold, assigned or redeemed in a currency other than Euro the sale, assignment or redemption price as well as the acqui-

sition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the acquisition date and the sale, assignment or redemption date respectively.

In case of a physical settlement of certain Securities which grant the Issuer or the Private Investor the right to opt for a physical delivery of underlying securities instead of a money payment, the acquisition costs of the Securities may be regarded as proceeds from the disposal, redemption, repayment or assignment of the Securities and hence as acquisition costs of the underlying securities received by the Private Investor upon physical settlement; any consideration received by the Private Investor in addition to the underlying securities may be subject to withholding tax. To the extent the provision mentioned above is applicable, generally no withholding tax has to be withheld by the Disbursing Agent upon physical settlement as such exchange of the Securities into the underlying securities does not result in a taxable gain for the Private Investor. However, withholding tax may then apply to any gain resulting from the disposal, redemption, repayment or assignment of the securities received in exchange for the Securities. In this case, the gain will be the difference between the proceeds from the disposal, redemption, repayment or assignment of the underlying securities and the acquisition costs of the Securities (after deduction of expenses related directly to the disposal, if any).

Expenses (other than such expenses directly and factually related to the sale, assignment or redemption) related to interest payments or capital gains under the Securities are – except for a standard lump sum (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) – not deductible.

According to the flat tax regime losses from the sale, assignment or redemption of the Securities can only be set-off against other investment income (including capital gains). If the set-off is not possible in the assessment period in which the losses have been realised, such losses can be carried forward into future assessment periods only and can be set-off against investment income (including capital gains) generated in these future assessment periods.

Further, the German Federal Ministry of Finance (*Bundesfinanzministerium*) in its decree dated 9 October 2012 (docket IV C 1 – S 2252/10/10013, hereafter referred to as "**Decree**") has taken the position that a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*) shall, in general, not be treated as a sale, so that losses suffered upon such bad debt loss or waiver shall not be deductible for tax purposes. This position is subject to controversial discussions among tax experts. In this respect, it is not clear whether the position of the tax authorities may affect securities (*Wertpapiere*) which are linked to a reference value in case such value decreases.

Furthermore, restrictions with respect to the claiming of losses may also apply if certain types of Securities would have to be qualified as derivative transactions and expire worthless. Moreover, according to the Decree the German Federal Ministry of Finance holds the view that a disposal (*Veräußerung*) (and, as a consequence, a tax loss resulting from such disposal) shall not be recognized if the sales price does not exceed the actual transaction cost.

Withholding tax

If the Securities are held in a custody with or administrated by a German branch of a German or non-German credit institution, or a financial services institution (including a German permanent establishment of such foreign institution), a German securities trading company or German securities trading bank (the each a "**Disbursing Agent**"), the flat tax at a rate of 25% (plus 5.5% solidarity surcharge thereon, the total withholding being 26.375%, and, if applicable, church tax) will be withheld by the Disbursing Agent on interest payments Private Investors subject to church tax may apply in writing for church tax to be levied by way of withholding also. Absent such application, such Private Investors have to include their investment income in their income tax return and will then be assessed to church tax. After 31 December 2014 an electronic information system for church withholding tax purposes will apply in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the Private Investor has filed a blocking notice (*Sper-*

rvermerk) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the Private Investor will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the sale, assignment or redemption after deduction of expenses directly related to the sale, assignment or redemption and the cost of acquisition) derived by the Private Investor, provided the Securities have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. The Disbursing Agent will provide for the set-off of losses with current investment income including capital gains from other investment assets. If, in the absence of sufficient current investment income derived through the same Disbursing Agent, a set-off is not possible, the Private Holder may – instead of having a loss carried forward into the following year – file an application with the Disbursing Agent until 15 December of the current calendar year for a certification of losses in order to set-off such losses with investment income from other sources in the Private Holder's personal income tax assessment.

To the extent the Securities have not been held in custody with or have not been administered by the same Disbursing Agent since the time of their acquisition, upon the sale, assignment or redemption withholding tax applies at a rate of 26.375% (including solidarity surcharge, plus church tax, if applicable) on 30% of the disposal proceeds (plus Accrued Interest on the Securities, if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Securities by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") (e.g. Switzerland or Andorra). If custody has changed since the acquisition and the acquisition data is not proved as required by Sec. 43a para. 2 German Income Tax Act or not relevant, the flat tax rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) will be imposed on an amount equal to 30% of the proceeds from the sale, assignment or redemption of the Securities. If the withholding tax has been calculated from 30% of the disposal proceeds (rather than from the actual gain), a Private Holder may and in case the actual gain is greater than 30% of the disposal proceeds generally must apply for an assessment of the realised capital gains on the basis of his or her actual acquisition costs.

In computing the tax withholding provided for by the Disbursing Agent foreign taxes may be credited in accordance with the German Income Tax Act. Taxes withheld on the basis of the EU Savings Directive (for further details see below "**EU Savings Directive**") may be credited in the course of the tax assessment procedure.

The Issuer is, in general, not obliged to levy German withholding tax in respect of payment on the Securities. If, however, the Securities qualify as hybrid instruments (e.g. silent partnership interest, profit participating notes, *jouissance rights (Genussrechte)*) of a German Issuer, German withholding tax has to be imposed by the Issuer irrespective of whether or not the Securities are held in a custodial account maintained with a Disbursing Agent, provided that the Securities are not kept in collective custody (*Sammelverwahrung*) or jacket custody (*Streifbandverwahrung*) by a German branch of a German or non-German credit institution or financial services institution, a German securities trading company or a German securities trading bank.]

In general, no withholding tax will be levied if Private Holder filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent (in the maximum amount of the standard lump sum of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law filing jointly)) to the extent the income from the Securities does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no flat tax will be deducted if the Private Holder has submitted to the Disbursing Agent a valid certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

For Private Investors the withheld flat tax is, in general, definitive. However, Private Investors may request that their total investment income, will be subject to taxation at their personal, progressive tax rate rather than the flat tax rate, if this results in a lower tax liability. In order to prove such investment

income and the withheld flat tax thereon the investor may request a respective certificate in officially required form from the Disbursing Agent.

Investment income not subject to the withholding of the flat tax (e.g. if the Securities are kept in custody abroad) must be included into the personal income tax return and will be subject to the flat tax rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax), unless the investor requests the investment income to be subject to taxation at lower personal, progressive income tax rate. In the course of the assessment procedure withholding tax levied on the basis of the EU Savings Directive (for further details see below "**EU Savings Directive**") and foreign taxes on investment income may be credited in accordance with the German Income Tax Act.

Business Investors

Interest payable under the Securities to persons holding the Securities as business assets ("**Business Investors**") who are tax residents of Germany (i.e. Business Investors whose residence, habitual abode, statutory seat or place of effective management and control is located in Germany) and capital gains, including Accrued Interest, if any, from the sale, assignment or redemption of the Securities are subject to income tax at the applicable personal, progressive income tax rate or, in the case of corporate entities, to corporate income tax at a uniform 15% tax rate (in each case plus solidarity surcharge at a rate of 5.5% on the tax payable; and in case where payments of interest on the Securities to Business Investors are subject to income tax plus church tax, if applicable). Such interest payments and capital gains may also be subject to trade tax if the Securities form part of the property of a German trade or business. Losses from the sale, assignment or redemption of the Securities are generally recognized for tax purposes; however, the deduction of losses may be restricted if the Securities would have to be qualified as derivative instruments for taxation purposes.

Withholding tax, if any, including solidarity surcharge thereon is credited as a prepayment against the Business Investor's (corporate) income tax liability and the solidarity surcharge in the course of the tax assessment procedure, i.e. the withholding tax is not definitive. Any potential surplus will be refunded. However, in general and subject to further requirements no withholding deduction will apply on capital gains from the sale, assignment or redemption of the Securities and certain other income if (i) the Securities are held by a corporation, association or estate in terms of Sec. 43 para. 2 sentence 3 no. 1 German Income Tax Act or (ii) the proceeds from the Securities qualify as income of a domestic business and the investor notifies this to the Disbursing Agent by use of the required official form according to Sec. 43 para. 2 sentence 3 no. 2 German Income Tax Act (*Erklärung zur Freistellung vom Kapitalertragsteuerabzug*).

Withholding tax levied on the basis of the EU Savings Directive (for further details see below "**EU Savings Directive**") and foreign taxes may be credited against the (corporate) income tax liability in accordance with the German Income Tax Act, but not against the withholding tax. Alternatively, foreign taxes may also be deducted from the tax base for German income tax purposes.

German Investment Taxation

German tax consequences different from those discussed above would arise if the respective Securities or the underlying securities delivered upon physical delivery were to be regarded as investment fund units within the meaning of the German Investment Tax Act (*Investmentsteuergesetz*). In such case, the withholding tax requirements for the Disbursing Agent as well as the taxation of the Investor would depend on whether the disclosure and reporting requirements of the German Investment Tax Act were fulfilled. The Investor may be subject to tax on unrealised income or, in case the reporting and disclosure requirements are not fulfilled, on income deemed received on a lump-sum basis. Such income may be off-set against any capital gains realised upon disposal of the Securities or the underlying securities received, respectively, subject to certain requirements.

Non-residents

Interest payable on the Securities and capital gains, including Accrued Interest, if any, are not subject to German taxation, unless (i) the Securities form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Security Holder; or (ii) the interest income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "**Tax Residents**" applies.

Non-residents of Germany are, subject to certain exceptions, exempt from German withholding tax on income from the Securities and the solidarity surcharge thereon, even if the Securities are held in custody with a Disbursing Agent. However, where the investment income is subject to German taxation as set forth in the preceding paragraph and Securities are held in a custodial account with a Disbursing Agent withholding flat tax is levied as explained above under "**Tax Residents**".

The withholding tax may be refunded based upon an applicable tax treaty or German national tax law.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to any Security will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Security is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery, execution or conversion of the Securities. Currently, net assets tax is not levied in Germany.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transaction tax ("**FTT**") (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with the Securities.

German implementation of the EU Savings Directive

Germany has implemented the EU Savings Directive into national legislation by means of an Interest Information Regulation (*Zinsinformationsverordnung*) in 2004. Starting on 1 July 2005, Germany has therefore begun to communicate all payments of interest on the Securities and similar income with respect to Securities to the beneficial owners Member State of residence if the Securities have been kept in a custodial account with a Disbursing Agent.

Austria

This section on taxation contains a brief summary 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 summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This summary furthermore only refers to investors which are subject to unlimited (corporate) income tax liability in Austria. It is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Securities consult with their legal and tax advisors as to the tax consequences of the purchase,

holding or sale of the Securities. Tax risks resulting from the Securities (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (Investmentfondsgesetz 2011)) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Securities are legally and factually offered to an indefinite number of persons.

General remarks

Individuals having a permanent domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a permanent domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of effective management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*) 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 the case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the Securities

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and broken-period interest; and
- income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of the Securities from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding the Securities *vis-à-vis* other countries, *e.g.*, a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Securities as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In the case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to withholding tax (*Kapitalertragsteuer*) of 25%; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In the case of investment income without an Austrian nexus, the income must be included in the investor's income tax return and is subject to tax at a flat rate of 25%. In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25% at the lower progressive income tax rate (option to

regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Sec. 27(8) of the Austrian Income Tax Act, inter alia, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may neither be offset against interest and other claims vis-à-vis credit institutions nor against income from private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to tax at a flat rate of 25% may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Individuals subject to unlimited income tax liability in Austria holding the Securities as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In the case of investment income with an Austrian nexus (as described above) the income is subject to withholding tax of 25%. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless tax at a flat rate of 25%). In the case of investment income without an Austrian nexus, the income must always be included in the investor's income tax return (generally tax at a flat rate of 25%). In both cases upon application the option exists to tax all income subject to tax at the flat rate of 25% at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to tax at the flat rate of 25%, are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from the Securities at a rate of 25%. In the case of investment income with an Austrian nexus (as described above) the income is subject to withholding tax of 25%, which can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Income from the alienation of the Securities is subject to corporate income tax of 25%. Losses from the alienation of the Securities can be offset against other income (and carried forward).

Private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*) and holding the Securities as non-business assets are subject to interim taxation at a rate of 25% on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. In the case of investment income with an Austrian nexus (as described above), income is in general subject to withholding tax of 25%, which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then withholding tax on the positive income is to be credited, with such tax credit being limited to 25% of the negative income. In certain cases, the offsetting is not permissible. The custodian agent has to issue a written confirmation on the offsetting of losses for each bank deposit to the taxpayer.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011 as amended in the course of the implementation of Directive 2011/61/EU and as applicable to business years of investment funds starting after 21 July 2013, the term "foreign investment fund" comprises (i) undertakings for collective in-

vestment in transferable securities the state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15%; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. To date no guidance has been issued by the tax authorities on the interpretation of this new provision. In case of a qualification as a foreign investment fund the tax consequences would substantially differ from those described above.

EU withholding tax

Sec. 1 of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*) – implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU member state (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Curaçao, Guernsey, the Isle of Man, Jersey, Montserrat, Sint Maarten and the Turks and Caicos Islands) are subject to EU withholding tax (*EU-Quellensteuer*) of 35%. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her member state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years. It is expected that changes to the EU Withholding Tax Act – implementing Council Directive 2014/48/EU of 24 March 2014 amending Directive 2003/48/EC on taxation of savings income in the form of interest payments – will enter into effect by 1 January 2017.

Regarding the issue of whether also index certificates are subject to EU withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee, a capital guarantee being the promise of repayment of a minimum amount of the capital invested or the promise of the payment of interest. The exact tax treatment of index certificates furthermore depends on their underlying.

Tax treaties Austria/Switzerland and Austria/Liechtenstein

The Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets and the Treaty between the Republic of Austria and the Principality of Liechtenstein on Cooperation in the Area of Taxation provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25% on, inter alia, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent if the relevant holder of such assets (i.e. in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (*Sitzgesellschaft*)) is tax resident in Austria. The same applies to such income from assets managed by a Liechtenstein paying agent if the relevant holder of the assets (i.e. in general individuals as beneficial owners of a transparent structure) is tax resident in Austria. For Austrian income tax purposes this withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively the Principality of Liechtenstein, regarding Council Directive 2003/48/EC on taxation of savings income in the form of interest payments. The taxpayer can opt for voluntary disclosure instead of the withholding tax by

expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income, which subsequently has to be included in the income tax return.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at the flat rate of 25%. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5%, with a higher rate of 25% applying in special cases. Special provisions apply to transfers of assets to entities falling within the scope of the tax treaty between Austria and Liechtenstein.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by it: in the case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10% of the fair market value of the assets transferred.

Further, gratuitous transfers of the Securities may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

Luxembourg

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

Non-resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the "**Savings Laws**"), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

Under the Savings Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "**Savings Directive**") and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Savings Laws will be subject to a withholding tax at a rate of 35%.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

Resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the Savings Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10%.

Responsibility for the withholding of tax in application of the above-mentioned Saving Laws and Relibi Law, is assumed by the Luxembourg paying agent within the meaning of these laws.

France

The following is a summary based on the laws and regulations in full force and effect in France as at the date of this Base Prospectus, which may be subject to changes in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or sale of the Securities.

Withholding taxes

The following is a summary addressing only the French compulsory withholding tax treatment of income arising from the Securities. This summary is prepared on the assumption that the Issuer is not and will not be a French resident for French tax purposes and the Securities (or any transactions in

connection with the Securities) are not and will not be (whether actually or constructively) attributed or attributable to a French branch, permanent establishment or other fixed place of business in France of the Issuer.

All payments by the Issuer in respect of the Securities will be made free of any compulsory withholding or deduction for or on account of any income tax imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein.

However, subject to certain exceptions, if the Securities are treated (based on their individual terms and conditions) as debt instruments for tax purposes, interest and similar revenues paid by a paying agent located in France to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made, and to social levies.

Savings Directive

The Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments has been implemented into French law under article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners resident in another Member State, including, the identity and address of the beneficial owner and a detailed list of different categories of interest paid to the beneficial owner.

Transfer tax and other taxes

The following may be relevant in connection with Securities which may be settled, redeemed or repaid by way of physical delivery of certain French listed shares (or certain assimilated securities).

Pursuant to Article 235 *ter* ZD of the French *Code général des impôts*, a financial transaction tax (the "**Financial Transaction Tax**") is applicable to any acquisition for consideration, resulting in a transfer of ownership, of an equity security (*titre de capital*) as defined by Article L.212-1 A of the French *Code monétaire et financier*, or of an assimilated equity security, as defined by Article L.211-41 of the French *Code monétaire et financier*, admitted to trading on a recognised stock exchange when the said security is issued by a company whose registered office is situated in France and whose market capitalisation exceeds 1 billion Euros on 1 December of the year preceding the year in which the acquisition occurs. According to regulations issued by the French tax authorities, the Financial Transaction Tax does not apply to certain acquisitions of shares or units issued by certain collective investment vehicles (such as FCPs or SICAVs). There are a number of exemptions from the Financial Transaction Tax. Prospective investors should revert to their counsel to identify whether they can benefit from them.

The rate of the Financial Transaction Tax is 0.2% of the acquisition value of the securities.

If the Financial Transaction Tax applies to an acquisition of shares, this transaction is exempt from transfer taxes (*droits de mutation à titre onéreux*) which generally apply at a rate of 0.1% to the sale of shares issued by a company whose registered office is situated in France, provided that in case of shares listed on a recognised stock exchange, transfer taxes are due only if the transfer is evidenced by a written deed or agreement.

Belgium

Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling the Securities. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisors regarding such considerations in

relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive. This summary does not describe the tax consequences for a holder of Securities that are redeemable in exchange for shares, of the redemption of such Securities and/or any tax consequences after the moment of redemption. This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this document and remains subject to any future amendments, which may or may not have retroactive effect.

If the redemption by the Issuer is in full or in part settled by means of a delivery of securities or other assets, interest includes any positive difference between the market value of those assets on the date of their payment or attribution and the initial issue price of the Securities. In the event interest is paid in the form of delivery of securities, the market value of those securities will be deemed at least equal to their value (prior to the date of the payment or attribution) as determined in the most recent publication by the Belgian Government of the value of securities listed on a Belgian stock exchange (such publication is issued monthly, on the 20th of each month) or on a similar foreign stock exchange.

On 25 January 2013, the Belgian tax authorities issued a circular letter on the Belgian tax treatment of income from structured securities characterised by an uncertain return on investment due to the variation of the coupons or the repayment terms at maturity, such as securities whose return is linked to the evolution of underlying products. According to the circular letter, the transfer of structured securities to a third party (other than the issuer) results in taxation as interest income of the "pro rata interest", calculated on an unclear formulae. In addition, any amount paid in excess of the initial issue price upon redemption or repayment of the structured securities is considered as interest for Belgian tax purposes. It is highly debatable whether the circular letter is in line with Belgian tax legislation. Furthermore, it is unclear whether the Belgian tax authorities will seek to apply the principles set out in the circular letter to the Securities.

It is assumed that any gains realised upon redemption or repayment by the Issuer will indeed be viewed as interest by the Belgian tax authorities (and any such gains are therefore referred to as "interest" for the purposes of the following paragraphs), but that the effective taxation of the "pro rata interest" in case of a sale to a third party (i.e. other than the Issuer) would not be possible, on the basis that it is currently impossible to determine the amount of the "pro rata interest".

Withholding tax

Repayment or redemption by the Issuer

Belgian resident investors

Payments of interest on the Securities made through a financial institution or other intermediary established in Belgium will in principle be subject to a 25% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes).

Belgian resident companies subject to Belgian corporate income tax (*Vennootschapsbelasting / Impôt des sociétés*) can benefit from a withholding tax exemption provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption will only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992.

If interest is paid outside Belgium without the intervention of a financial institution or other intermediary established in Belgium, no Belgian withholding tax will be due, except in the case of Securities held by Belgian resident legal entities subject to Belgian tax on legal entities (*Rechtspersonenbelasting / impôt des personnes morales*), which will be required to declare and pay the 25% withholding tax to the Belgian tax authorities themselves.

Non-resident investors

Payments of interest on the Securities made through a financial institution or other intermediary established in Belgium will in principle be subject to a 25% withholding tax in Belgium, unless a reduced rate or an exemption applies on the basis that the holder of the Securities is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit.

Non-resident corporate investors who have allocated the Securities to the exercise of a professional activity in Belgium through a Belgian establishment can benefit from a withholding tax exemption provided that certain formalities are complied with.

Non-resident investors who have not allocated the Securities to a Belgian establishment can also obtain an exemption of Belgian withholding tax on interest from the Securities if certain conditions are met.

If the income is not collected through a professional intermediary in Belgium, no Belgian withholding tax will be due.

Sale to a third party

No withholding tax should apply to the securities

Income tax

Repayment or redemption by the issuer

Belgian resident individuals

Individuals who are Belgian residents for tax purposes, i.e. individuals who are subject to Belgian personal income tax (*Personenbelasting / Impôt des personnes physiques*) and who hold the Securities as a private investment, do not have to declare interest in respect of the Securities in their personal income tax return, provided that Belgian withholding tax has effectively been levied on the interest.

Nevertheless, Belgian resident individuals may choose to declare interest in respect of the Securities in their personal income tax return. Also, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of 25% (or at the relevant progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower). The Belgian withholding tax levied may be credited against the income tax liability.

Other rules may be applicable in special situations, in particular when Belgian resident individuals acquire the Securities for professional purposes or when their transactions with respect to the Securities fall outside the scope of the normal management of their own private estate.

Belgian resident corporate investors

Interest attributed or paid to companies that are Belgian residents for tax purposes, i.e. companies that are subject to Belgian corporate income tax (*Vennootschapsbelasting / Impôt des sociétés*), are taxable at the ordinary corporate income tax rate of in principle 33.99% (but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations).

The Belgian withholding tax levied may be credited against the income tax liability. Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of Article 185bis of the Belgian Income Tax Code 1992.

Belgian legal entities

Legal entities that are Belgian residents for tax purposes, i.e. legal entities that are subject to the Belgian legal entities tax (*Rechtspersonenbelasting / Impôt des personnes morales*), will be required to declare and pay the 25% withholding tax to the Belgian tax authorities themselves if the interest is paid outside Belgium without the intervention of a financial institution or other intermediary established in Belgium and no Belgian withholding tax has been withheld. The withholding tax constitutes the final taxation.

Non-resident individual or corporate investors

Investors that are non-residents of Belgium for Belgian tax purposes are in principle not subject to Belgian income tax on interest payments on the Securities, unless if the Securities are held as part of a business conducted in Belgium through a Belgian establishment. In such a case, the same principles apply as described with regard to Belgian resident individual investors (holding the Securities for professional purposes) or Belgian resident corporate investors (see above). Non-resident individuals who do not use the Securities for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax interest on the Securities to Belgium, will be subject to tax in Belgium if the interest is obtained or received in Belgium.

Sale to a third party

Belgian resident individual investors

Individuals who are Belgian residents for tax purposes, i.e. individuals who are subject to Belgian personal income tax (*Personenbelasting / Impôt des personnes physiques*) are currently not liable to Belgian income tax on the capital gains (if any) realised upon disposal of the Securities to a third party, provided that the Securities have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of the Securities held as a non-professional investment are in principle not tax deductible.

However, Belgian resident individuals may be subject to a 33% Belgian income tax (plus local surcharges) if the capital gains on the Securities are deemed to be speculative or outside the scope of the normal management of the individuals' private estate. Capital losses arising from such transactions are not tax deductible.

Capital gains realised upon transfer of Securities held for professional purposes are taxable at the ordinary progressive income tax rates (plus local surcharges), except for Securities held for more than five years, which are taxable at a separate rate of 16.5% (plus local surcharges). Capital losses on the Securities incurred by Belgian resident individuals holding the Securities for professional purposes are in principle tax deductible.

Belgian resident corporate investors

Companies that are Belgian residents for tax purposes, i.e. companies that are subject to Belgian corporate income tax (*Vennootschapsbelasting / Impôt des sociétés*), are liable to Belgian corporate income tax on the capital gains (if any) realised upon disposal of the Securities to a third party, irrespective of whether such Securities relate to shares or other assets or indices. The current standard corporate income tax rate in Belgium is 33.99%.

Capital losses realised upon disposal of the Securities are in principle tax deductible.

Belgian legal entities

Legal entities that are Belgian residents for tax purposes, i.e. legal entities that are subject to the Belgian legal entities tax (*Rechtspersonenbelasting / Impôt des personnes morales*), are currently not liable to Belgian income tax on capital gains (if any) realised upon disposal of the Securities to a third party.

Capital losses realised upon disposal of the Securities are in principle not tax deductible.

Non-resident individual or corporate investors

Investors that are non-residents of Belgium for Belgian tax purposes are in principle not subject to Belgian income tax on capital gains realised on the Securities, unless if the Securities are held as part of a business conducted in Belgium through a Belgian establishment. In such a case, the same principles apply as described with regard to Belgian resident individual investors (holding the Securities for professional purposes) or Belgian resident corporate investors (see above).

Non-resident individuals who do not use the Securities for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Securities to Belgium, will be subject to tax in Belgium if the capital gains are deemed to be realized outside the scope of the normal management of the individual's private estate and the capital gain is obtained or received in Belgium. Capital losses are generally not deductible.

Tax on stock exchange transactions

The acquisition of the Securities upon their issuance is not subject to the tax on stock exchange transactions (*Taxe sur les opérations de bourse / Taks op de beursverrichtingen*). However, the sale and acquisition of the Securities on the secondary market will be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.09% for transactions in bonds and at a rate of 0.25% for transactions in other securities executed until 31 December 2014. This is applied separately on each sale and each acquisition, currently up to a maximum of EUR 650 per taxable transaction for bonds and EUR 740 per taxable transaction for other securities and is collected by the professional investor. Exemptions apply for certain categories of institutional investors and non-residents.

The European Commission has published a proposal for a Directive for a common financial transactions tax (the "FTT"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

Ireland

The following is a summary based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of their Securities and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Securities including dealers in securities and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Securities. Prospective investors in the Securities should consult their professional advisers on the tax implications of the pur-

chase, holding, redemption or sale of the Securities and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

Under general Irish tax law the Issuer will not be obliged to withhold tax from payments of principal. In addition, payments of premium or interest (if any, or to the extent a payment may be so characterised for taxation purposes) paid on the Securities may be made without deduction or withholding on account of Irish tax so long as such payments do not constitute Irish source income. Interest (if any) and premium paid on the Securities may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer is not resident in Ireland for tax purposes but the register for the Securities is maintained in Ireland or if the Securities are in bearer form the Securities are physically held in Ireland; or
- (c) the assets relating to the Securities are attributed to an Irish branch or agency of the Issuer.

Provided that (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Securities will either be in bearer form and will not be physically located in Ireland or that the Issuer will not maintain a register of any registered Securities in Ireland and (iii) the assets relating to the Securities are not attributed to an Irish branch or agency of the Issuer then no Irish withholding tax should arise on payments of interest in respect of the Securities.

Taxation of Receipts

Notwithstanding that a holder of Securities may receive payments of principal, premium, and interest, premium or discount on the Securities free of Irish withholding tax, the holder of Securities may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such premium or interest if (i) such interest has an Irish source, (ii) the holder of Securities is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there would also be a social insurance (PRSI) liability for an individual in receipt of premium or interest on the Securities), or (iii) the Securities are attributed to a branch or agency in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish income tax may also be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20%) from premium, interest or other income paid on Securities issued by a company not resident in Ireland, where such amount is collected or realised by a bank or encashment agent in Ireland on behalf of any holder of Securities who is Irish resident.

Encashment tax does not apply where the holder of Securities is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

Capital Gains Tax

A holder of Securities will be subject to Irish tax on capital gains on a disposal of Securities unless (a) such holder is: (i) neither resident nor ordinarily resident in Ireland; and (ii) does not carry on a trade or business in Ireland through a permanent establishment, branch or agency in respect of which the Securities are or were held; and (b) the Securities do not derive the greater part of their value directly or indirectly from Irish land or minerals.

Capital Acquisitions Tax

A gift or inheritance comprising of Securities will be within the charge to capital acquisitions if either: (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland; or (ii) if the Securities are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual: (i) has been resident in Ireland for the five consecutive tax years preceding that date; and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer Securities are generally regarded as situated where they are physically located at any particular time. Securities in registered form are property situate in Ireland if the register is in Ireland. The Securities may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if such Securities are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

Stamp duty

As the Issuer is not registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Securities so long as the relevant instrument of transfer:

- (a) does not relate to any immovable property in Ireland; or
- (b) does not relate to stocks or marketable securities of a company registered in Ireland.

United Kingdom

The following applies only to persons who are the beneficial owners of Securities and is a summary of the Issuers' understanding of current United Kingdom law and published HM Revenue and Customs (HMRC) practice relating only to the United Kingdom withholding tax treatment of certain payments in respect of Securities and the charge to United Kingdom stamp duty and stamp duty reserve tax in respect of the issue, transfer or redemption of the Securities. It does not deal with any other United Kingdom taxation implications of acquiring, holding, redeeming or disposing of Securities. The United Kingdom tax treatment of prospective Security Holders depends on their individual circumstances and may be subject to change in the future. Prospective Security Holders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payments of interest on the Securities

For these purposes, interest means amounts which are treated as interest for United Kingdom tax purposes, which may include any excess of the Cancellation Amount or Redemption Amount over the amount for which any Securities were issued or their nominal value or any Additional Amount (k).

Payments of interest on the Securities by an Issuer may be made without deduction of or withholding on account of United Kingdom income tax if they do not have a United Kingdom source.

An Issuer, provided that it is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the **Act**), and provided that the interest on the Securities is paid in the ordinary course of its business within the meaning of section 878 of the Act, will be entitled to make payments of interest which have a United Kingdom source without withholding or deduction for or on account of United Kingdom income tax.

Payments by an Issuer of interest on the Securities which have a United Kingdom source may also be made without deduction of or withholding on account of United Kingdom income tax provided that the Securities are and continue to be listed on a "recognised stock exchange" within the meaning of

section 1005 of the Act. Securities will be treated as listed on a "recognised stock exchange" if they are admitted to trading on such an exchange and they are either included in the UK official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000 in accordance with the provisions of that Part) or are officially listed in another country which has a recognised stock exchange in accordance with provisions corresponding to those generally applicable in EEA states.

Interest on the Securities which have a United Kingdom source may also be paid by an Issuer without withholding or deduction on account of United Kingdom income tax where, at the time the payment is made, the relevant Issuer reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Securities which have a United Kingdom source may also be paid by an Issuer without withholding or deduction on account of United Kingdom income tax where the maturity of the Securities is less than 365 days and those Securities do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest which have a United Kingdom source on the Securities on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Security Holder, HMRC can issue a notice to the relevant Issuer to pay interest to the Security Holder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Other payments on the Securities

In some cases, "qualifying annual payments" may be made by an Issuer without withholding or deduction on account of United Kingdom tax where, at the time the payment is made, the relevant Issuer reasonably believes (and any person by or through whom the payment on the Securities is made reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment at the time the payment is made) that the payment should be paid under deduction of tax.

Annual payments which do not have a United Kingdom source cannot be "qualifying annual payments", and so may be made by an Issuer without deduction of or withholding on account of United Kingdom income tax.

In other cases, an amount must generally be withheld from payments by an Issuer of "qualifying annual payments" on the Securities on account of United Kingdom income tax at the basic rate (currently 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Security Holder, HMRC can issue a notice to the relevant Issuer to make the payments to the Security Holder without deduction of tax (or for payment to be made with tax deducted at the rate provided for in the relevant double tax treaty).

Certain payments of manufactured interest or dividends may also be paid by an Issuer subject to a deduction or withholding for income tax at the basic rate (currently 20%) if the payments are made in the course of a trade which it carries on through a branch, agency or permanent establishment in the United Kingdom.

Reporting

HMRC has powers to obtain information and documents relating to the Securities, including in relation to issues of and other transactions in the Securities, interest, payments treated as interest and other

payments derived from the Securities. This may include details of the beneficial owners of the Securities, of the persons for whom the Securities are held and of the persons to whom payments derived from the Securities are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Securities, persons who make, receive or are entitled to receive payments derived from the Securities and persons by or through whom interest and payments treated as interest are paid or credited. Information obtained by HMRC may be provided to tax authorities in other jurisdictions.

Stamp duty and stamp duty reserve tax

The classification of the Securities for United Kingdom stamp duty and stamp duty reserve tax purposes may not be clear, in particular whether they should be treated as "loan capital", "options" or some other legal relationship.

Stamp duty on issues of options

If Securities were to be treated as options, then prospective Security Holders should be aware that an instrument granting the Security (whether in definitive or global form) may be subject to United Kingdom stamp duty if it is executed in the United Kingdom or if it relates to any property situate, or to any matter or thing done or to be done, in the United Kingdom. Stamp duty would be charged at a rate of 0.5% by reference to the amount of consideration given for the Securities.

Prospective purchasers of Securities may wish to note, however, that, in the context of retail covered warrants listed on the London Stock Exchange, HMRC has indicated that no charge to United Kingdom stamp duty will arise on the grant of such warrants. It is not clear whether or not HM Revenue and Customs would be prepared to take such a view in relation to the Securities.

An instrument which is not duly stamped cannot be used for certain purposes in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

In the event that an instrument is subject to United Kingdom stamp duty, and it becomes necessary to pay that stamp duty (for example because this is necessary in order to enforce the document in the United Kingdom), interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the date of execution of the instrument to the date of payment of the stamp duty. Penalties may also be payable if either an instrument which was executed in the United Kingdom is not stamped within 30 days of being so executed or an instrument which was executed outside the United Kingdom is not stamped within 30 days of first being brought into the United Kingdom.

Bearer instrument duty

To the extent that the Securities are issued in bearer form, are not loan capital and are denominated in sterling, a charge to stamp duty at 1.5% of the value of the Securities may arise if issued in the United Kingdom. No stamp duty liability will arise on the issue of the Securities if issued outside the United Kingdom. However, in relation to such Securities originally issued outside the United Kingdom, on the first transfer by delivery in the United Kingdom of any such Security, a stamp duty liability at 1.5% may arise.

Transfers, agreements to transfer and redemptions

Stamp duty or stamp duty reserve tax may be chargeable in respect of transfers or agreements to transfer the Securities, or on the physical redemption of the Securities. This will depend on the form and terms and conditions of the Securities and of the assets to be delivered on physical settlement.

Czech Republic

The information set out below is of a general nature and relates only to certain principal Czech withholding tax considerations. Accordingly, it does not deal with any other Czech tax consequences of acquiring, holding or disposing of Securities, which may be relevant to a decision to purchase Securities, and is not intended to be, nor should it be regarded as, legal or tax advice. Prospective holders of Securities should seek, in the light of their individual situation, their own professional advice as to the consequences of acquiring, holding or disposing of Securities in all relevant jurisdictions. The information is based on the tax laws of the Czech Republic as in effect on the date of this Base Prospectus and their prevailing interpretations available on or before such date. All of the foregoing is subject to change, which could apply retroactively and could affect the continued validity of this summary.

For the purposes of this information, it has been assumed that neither any of the Issuers nor the Guarantor is either resident for tax purposes or has a permanent establishment in the Czech Republic.

Withholding tax

All interest and other payments to be made by an Issuer under the Securities may be made free of withholding on account of any taxes imposed by the Czech Republic.

Securing tax

In general, Czech tax residents (or Czech permanent establishments of Czech tax non-residents) acquiring the Securities are required, under their own responsibility, to withhold and to remit to Czech tax authorities a 1% securing tax from the purchase price when purchasing investment instruments, such as the Securities, from a seller who is resident for tax purposes outside the European Union or the European Economic Area. Such obligation can be eliminated under a tax treaty concluded between the Czech Republic and the country in which the seller is a tax resident. Furthermore, it can be waived in advance based on a decision of Czech tax authorities.

Poland

General Information

The following is a discussion of certain Polish tax considerations relevant to an investor residing in Poland or which is otherwise subject to Polish taxation. This statement should not be considered tax advice. It is based on Polish tax laws and, as its interpretation refers to the position as at the date of this Base Prospectus, it may thus be subject to change, including a change with retroactive effect. Any change may negatively affect the tax treatment described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their individual circumstances. Prospective purchasers of Securities are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of Securities.

The reference to "interest", as well as to any other terms in the paragraphs below, means "interest" or any other term, respectively, as understood in Polish tax law.

Taxation of a Polish tax resident individual

Withholding Tax on Interest Income

According to Art. 30a of the Personal Income Tax Act dated 26 July 1991, as amended (the "**PIT Act**"), interest income, including discounts, derived by a Polish tax resident individual (a person who has his/her centre of personal or business interests located in Poland or who stays in Poland for longer than 183 days in a year, unless otherwise resulting from the respective tax treaty) does not cumulate with general income subject to the progressive tax rate but is subject to a 19% flat rate tax.

Withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not greater than 19% tax on the interest amount, could be deducted from the Polish tax liability. Particular double tax treaties can provide other methods of withholding tax settlement.

Under Art. 41.4 of the PIT Act, the interest payer, other than an individual not acting within the scope of his/her business activity, should withhold the 19% Polish tax on any interest payment. In practice, the obligation to withhold tax applies only to Polish interest payers and not to foreign payers. Under Art. 41.4d of the PIT Act, tax on interest or a discount on securities is withheld by entities keeping securities accounts for taxpayers, in their capacity as tax remitters, if the income (revenue) is earned in the territory of Poland and is associated with the securities registered in these accounts, and, furthermore, if relevant payments are made to the taxpayers through those entities. However, given that the interest on Securities may be classified as not earned in Poland and the term "person making the interest payment" is not precisely defined in the law, under some interpretations issued by the Polish tax authorities, 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 Art. 45.3b of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself by 30 April of the following year.

If an individual holds the Securities as a business asset, in principle, interest should not be subject to withholding tax but taxed in the same way as other business income. The tax, at the 19% flat rate, or the 18% to 32% progressive tax rate, depending on the choice and the meeting of certain conditions by the individual, should be settled by the individual himself/herself.

Income from Capital Investments

Income other than interest derived by a Polish tax resident individual from financial instruments, such as the Securities, which are held as non-business assets, qualify as capital income according to Art. 17 of the PIT Act. Such income does not cumulate with the general income subject to the progressive tax scale but is subject to a 19% flat rate tax. The costs of acquiring the financial instruments are recognised at the time the revenue from their disposal is achieved. Additionally, no tax is withheld by a tax remitter, but the tax should be settled by the taxpayer by 30 April of the following year.

If an individual holds the Securities as a business asset, in principle, the income should be taxed in the same way as other business income. The tax, at the 19% flat rate, or the 18% to 32% progressive tax rate depending on the choice and meeting of certain conditions by the individual, should be settled by the individual himself/herself.

Taxation of a Polish tax resident corporate income taxpayer

A Polish tax resident corporate income taxpayer, i.e. a corporate income taxpayer having its registered office or place of management in Poland, will be subject to 19% income tax in respect of the Securities (both on any capital gain and on interest/discount) following the same principles as those which apply to any other income received from business activity. As a rule, for Polish income tax purposes, interest is recognised as revenue on a cash basis, i.e. when it is received and not when it has accrued. In respect of capital gains, the cost of acquiring the Securities will be recognised at the time the revenue is achieved.

Securities held by a non-Polish tax resident (natural person or corporation)

Non-Polish tax residents are:

- natural persons if they do not have their place of residence in the territory of the Republic of Poland (Art. 3.2a of the PIT Act);
- corporate income taxpayers if they do not have their registered office or place of management in Poland (Art. 3.2 of the Polish Corporate Income Tax Act dated 15 February 1992, as amended - the CIT Act).

Non-Polish residents are subject to Polish income tax only regarding their income earned in Poland. If the Securities are issued by a foreign entity, in principle, the interest should not be considered as having been earned in Poland. Capital gains should also not be considered as arising in Poland unless the Securities are sold at a stock exchange in Poland (the Warsaw Stock Exchange). If the latter is the case, however, most tax treaties concluded by Poland provide a Polish tax exemption with respect to capital gains derived from Poland by a foreign tax resident. To benefit from a tax treaty, a foreign investor should present the relevant certificate of its tax residency.

If a foreign recipient of income acts through a permanent establishment in Poland, as a matter of principle it should be treated in the same manner as a Polish tax resident.

Remitter's liability

Under Art. 30.1 of the Tax Ordinance dated 29 August 1997, as amended, a remitter which has not carried out its obligation to calculate and withhold due tax from a taxpayer, and to transfer the appropriate amount of tax to a relevant tax office, is liable for tax not withheld or tax withheld but not transferred to a relevant tax office. The remitter is liable for those obligations with all of its assets. The provisions concerning the remitter's liability do not apply only if separate provisions provide otherwise or if the tax has not been withheld due to the taxpayer's fault.

Slovakia

The information set out below is a description of certain material Slovak tax consequences of the acquisition, holding, sale, assignment and redemption of the Securities and it does not purport to be a complete analysis of all Slovak tax considerations relating to the Securities that may be relevant to a decision to purchase the Securities. This summary 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 summary 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 summary. 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 summary, holders of the Securities should consult their own tax advisors as to the consequences under the tax laws of the country in which they are resident for tax purposes and the tax laws of the Slovak Republic concerning the acquisition, holding, sale, assignment and redemption of the Securities and receiving payments of interest, principal and/or other payments under the Securities, including, in particular, the application to their own situation of the tax considerations discussed below as well as the application of state, local, foreign or other tax laws.

Individuals and legal entities who are tax residents in the Slovak Republic are subject to income taxation (personal income tax or corporate income tax) on their worldwide income, regardless of its source, including interests from the Securities, redemption of Securities and capital gains from the sale of the Securities. "Income" shall mean income both in cash and in kind (even if obtained through an

exchange), which has been attributed to the value, which is usual in the place and the time of performance or consumption, taking into account its type and quality, and, where appropriate, its condition and grade of depreciation, unless otherwise provided by applicable legislation.

Taxable income from the Securities derived by individuals is taxed at a tax rate of 19% for that part of the annual tax base up to the amount of 176.8 times subsistence income and 25% for that part of the annual tax base which exceeds this amount. Income from the sale of the Securities derived by individuals decreased by expenses may be exempt from income tax up to the amount of 500 EUR in one tax period. Taxable income from the Securities derived by individuals may be subject to obligatory health insurance contributions due in Slovakia. It should be noted that the above information on tax rate and exemption(s) applies for the tax period of the year 2014 and may be changed in the following tax periods.

Interests from 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 recognized for tax purposes.

Taxable income from the Securities derived by legal entities is taxed at a tax rate of 22% in the tax period of the year 2014. Legal entities who are tax residents in the Slovak Republic which hold the Securities as their business assets pay corporate income tax from interest received and capital gain from the sale / redemption of the Securities within general tax base (determined in accordance with the accounting regulations). Loss from the sale of the Securities may not be recognized for tax purposes provided the taxpayer reported an overall loss from the sale of all securities sold in the respective tax period (exceptions apply). Interest income received by pension funds from the Securities is not subject to Slovak corporate income tax paid by the pension funds.

If the income arising from the Securities is paid by a foreign entity, the foreign entity could make withholdings pursuant to the laws of other jurisdictions. According to the provisions of the Double Tax Treaties concluded between the Slovak Republic and Germany as well as between the Slovak Republic and Luxembourg, no withholding tax should be applied on the interest income and income from redemption of the Securities sourced from Germany or Luxembourg with respect to the Securities. The owner of the income may be asked to prove that he is entitled to benefit from the provisions of the respective Double Tax Treaty. Income from the Securities may potentially be qualified as having its source in the Slovak Republic if the Securities are kept in a securities account maintained by a financial agent who distributes the Securities on behalf of issuer. In such case, the financial agent could be potentially qualified as the payer of withholding tax in the Slovak Republic at the withholding tax rate of 19% / 35%.

Italy

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in security or commodities) may be subject to special rules.

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Securities. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

Law Decree No. 66 of 24 April 2014, published in the Official Gazette No. 95 of 24 April 2014 (**Decree 66**), as converted into law with amendments by Law No. 89 of 23 June 2014 (**Law 89**) introduced tax provisions amending certain aspects of the tax treatment of the Securities, as summarised below. The new rules are effective as of 1 July 2014. With reference to the *imposta sostitutiva* set out by Decree 239 (as defined below) the increased rate applies on interest accrued as of 1 July 2014.

As clarified by the Italian tax authorities in resolution No. 72/E of 12 July 2010, the Italian tax consequences of the purchase, ownership and disposal of the Securities may be different depending on whether:

(a) they represent a securitized debt claim, implying a static "use of capital" (*impiego di capitale*), through which the subscriber of the Securities transfers to the Issuer a certain amount of capital for the purpose of obtaining a remuneration on the same capital and subject to the right to obtain its (partial or entire) reimbursement at maturity; or

(b) they represent a securitized derivative financial instrument or bundle of derivative financial instruments not entailing a "use of capital", through which the subscriber of the Securities invests indirectly in underlying financial instruments for the purpose of obtaining a profit deriving from the negotiation of such underlying financial instruments.

Tax treatment of Notes issued by a non-Italian resident issuer

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**), provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by non-Italian resident issuers and which embed the unconditional obligation of the issuer to fully repay the principal invested upon redemption (the **Notes**).

Italian resident Noteholders

Where the Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the relevant Notes are connected (unless he has opted for the application of the "*risparmio gestito*" regime — see under "Capital gains tax", below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a substitute tax, referred to as *imposta sostitutiva*, levied at the rate of 26% (20% on interest accrued up to 30 June 2014). In the event that Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Pursuant to Law 89, non-commercial pension entities incorporated under Law No. 509 of 30 June 1994 or Law No. 103 of 10 February 1996 are entitled to a tax credit equal to the positive difference between withholding taxes and substitutive taxes levied at a rate of 26% on financial proceeds deriving from their investments (including the Notes) from 1 July 2014 to 31 December 2014, as certified by the relevant withholding agent, and a notional 20% taxation, provided that such credit is disclosed by such entities in the annual corporation tax return.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Holder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), as clarified by the Italian Revenue Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and article 14-bis of Law No. 86 of 25 January 1994 are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a withholding tax of 26% will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Tax**). For an interim period, in certain circumstances, the Collective Investment Fund Tax may remain applicable at a rate of 20% for income accrued as of 30 June 2014.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11% substitute tax (which is increased to 11.5% for 2014 pursuant to Law 89).

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a Decree of the Ministry of Economy and Finance (each an **Intermediary**).

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian resident Noteholders

For Notes issued by a non-Italian resident issuer, no Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

Atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26% (20% with reference to any interest due and payable up to 30 June 2014). For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value.

If the Notes are issued by a non-Italian resident issuer, the withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (a) a company or similar commercial entity (including the Italian permanent establishment of foreign entities); (b) a commercial partnership; or (c) a commercial private or public institution.

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26% (20% on capital gains realised up to 30 June 2014). Noteholders may set off losses with gains.

Pursuant to Law No. 89, non-commercial pension entities incorporated under Law No. 509 of 30 June 1994 or Law No. 103 of 10 February 1996 are entitled to a tax credit equal to the positive difference between withholding taxes and substitutive taxes levied at a rate of 26% on financial proceeds deriving from their investments (including the Notes) from 1 July 2014 to 31 December 2014, as certified by the relevant withholding agent, and a notional 20% taxation, provided that such credit is disclosed by such entities in the annual corporation tax return.

In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08% of the relevant capital losses realised before 1 January 2012; (ii) 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the relevant Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (a) Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries); and (b) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or

using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in its annual tax return. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08% of the relevant capital losses realised before 1 January 2012; (ii) 76.92% of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by Italian resident individuals holding Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26% substitute tax (20% up to 30 June 2014), to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return. Pursuant to Decree 66, decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08% of the relevant decreases in value registered before 1 January 2012; (ii) 76.92% of the decreases in value registered from 1 January 2012 to 30 June 2014.

Any capital gains realised by a Noteholder who is an Italian real estate fund to which the provisions of Decree 351, as subsequently amended, apply will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate investment fund.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11% substitute tax (which is increased to 11.5% for 2014, pursuant to Law 89).

Capital gains realised by non-Italian resident holder of Notes from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

Tax treatment of derivative financial instruments issued by a non-Italian resident issuer

Based on the principles stated by the Italian tax authorities in resolution No. 72/E of 12 July 2010, payments in respect of Notes qualifying as securitized derivative financial instruments not entailing a "use of capital" as well as capital gains realised through the sale of the same Notes would be subject to Italian taxation according to the same rules described above applicable on capital gains realised through the sale or transfer of the Notes.

Payments in respect of notes qualifying as securitised derivative financial instruments received by investors resident in Italy for tax purposes (not engaged in entrepreneurial activities to which the Notes are connected) as well as capital gains realised by such Italian investors on any sale or transfer for consideration of the Notes qualifying as securitised derivative financial instruments or redemption thereof are subject to a 26% (20% up to 30 June 2014) capital gain tax, which applies under the tax declaration regime, the *risparmio amministrato* tax regime or the *risparmio gestito* tax regime according to the same rules described above under the section "Capital gains tax" above.

Payments in respect of Notes qualifying as securitised derivative financial instruments received by investors resident in Italy for tax purposes which carry out commercial activities are not subject to the 26% (20% up to 30 June 2014) capital gain tax, but the proceeds are included in their taxable income and subject to taxation in accordance with the ordinary rules.

Any capital gains realised by a holder of Notes qualifying as securitised derivative financial instruments who is a Fund will be included in the result of the relevant portfolio accrued at the end of the tax period. The Fund will not be subject to taxation on such result, but distributions made in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a holder of Notes qualifying as securitised derivative financial instruments who is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11% substitute tax (which is increased to 11.5% for 2014, pursuant to Law 89).

Under the current regime provided by Decree 351, as clarified by the Italian Ministry of Economy and Finance through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of interest in respect of the Notes qualifying as securitised derivative financial instruments made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are, if some conditions are met, subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

Capital gains realised by non-Italian resident holders from the sale or redemption of Notes qualifying as securitised derivative financial instruments are not subject to Italian taxation, provided that the Notes are held outside Italy or traded on a regulated market.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006 (**Decree No. 262**), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding Euro 100,000; and
- (c) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned in (a) to (c) above on the value exceeding, for each beneficiary, Euro 1,500,000.

Transfer Tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of Euro 200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited therewith. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed Euro 14,000 for taxpayers other than individuals; this stamp duty is determined on the basis of the market value or, if no market value figure is available, the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012 of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent.

This tax is calculated on the market value of the Notes at the end of the relevant year or, if no market value figure is available, the nominal value or the redemption value of such Notes held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Italian Financial Transaction Tax (IFTT)

Italian shares and other participating instruments, as well as depositary receipts representing those shares and participating instruments irrespective of the relevant issuer (cumulatively referred to as **In-Scope Shares**), received by an Investor upon physical settlement of the Notes may be subject to a 0.2 per cent. IFTT calculated on the value of the shares or depositary receipts, as determined according to Article 4 of Ministerial Decree of 21 February 2013, as amended (the **IFTT Decree**).

Investors on derivative transactions or transferable securities and certain equity-linked notes mainly having as underlying or mainly linked to In-Scope Shares are subject to IFTT at a rate ranging between Euro 0.01875 and Euro 200 per counterparty, depending on the notional value of the relevant derivative transaction or transferable securities, calculated pursuant to Article 9 of the IFTT Decree. IFTT applies upon subscription, negotiation or modification of the derivative transactions or transferable securities. The tax rate may be reduced to a fifth if the transaction is executed on certain qualifying regulated markets or multilateral trading facilities.

EU Savings Directive

Under the Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), Member States are required, to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid by a person established in a Member State to, or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria and Luxembourg are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The end of the transitional period being is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The proposed financial transactions tax

On 14 February 2013 the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

A joint statement issued in May 2014 by ten of the eleven Participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Securities.

The FTT proposal remains subject to negotiation between the Participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

U.S. Withholding Tax

Payments under index-linked Securities and equity-linked Securities may be subject to U.S. withholding tax

Under Section 871(m) of the United States Internal Revenue Code of 1986, as amended, (the "**IRC**") a "dividend equivalent" payment is treated as a dividend from sources within the United States and is subject to withholding at the rate of 30% unless reduced by an applicable tax treaty with the United States (withholding tax on "dividend equivalent" payments). A "dividend equivalent" payment includes (i) any substitute dividend made pursuant to a securities lending or sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a "specified notional principal contract" ("**Specified NPC**") that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the U. S. Internal Revenue Service ("**IRS**") to be substantially similar to a payment described in clause (i) or (ii). For these purposes, Section 871(m) specifies four types of

notional principal contracts that are considered Specified NPCs. In addition, however, Section 871(m) provides that in the case of payments made after 18 March 2012, a "dividend equivalent" payment includes a payment made pursuant to any NPC unless the Secretary of the Treasury otherwise determines that such contract does not have the potential for tax avoidance. On December 4, 2013, the U.S. Treasury Department and the IRS issued final regulations ("**Final Regulations**") and proposed regulations (the "**Proposed Regulations**") under Section 871(m). The Final Regulations extend the statutory definition of Specified NPC (which had previously been extended to payments made before January 1, 2014) to payments made before January 1, 2016.

With respect to payments made on or after January 1, 2016, however, the Proposed Regulations would significantly expand the scope of transactions to which Section 871(m) would apply. The Proposed Regulations would expand Section 871(m) to apply to payments made pursuant to a specified equity-linked instrument ("**Specified ELI**"), which generally would include any financial instruments (such as futures, forward contracts, and options), other than a securities lending or sale-repurchase transaction or a Specified NPC, that references the value of one or more underlying securities. In addition, under the Proposed Regulations, an equity-linked instrument or notional principal contract generally will be a Specified ELI or Specified NPC if at the time it is entered into it has a "delta" of 0.70 or greater with respect to the underlying stock. Moreover, payments based on amounts that reference actual or estimated dividend payments, whether the reference is explicit or implicit, would be subject to withholding, even if an estimated payment is not adjusted based on the actual dividend payment. The Proposed Regulations would provide an exception from treatment as an underlying security for certain "qualified indices", thus exempting a Specified ELI or Specified NPC that references a qualified index from the application of Section 871(m). To constitute a "qualified index", an index must meet six requirements, including requirements that it references 25 or more component underlying securities, contains no component underlying security representing more than 10 percent of the index's weighting, and does not provide a dividend yield greater than 1.5 times the yield of the Standard&Poors 500 index for the month preceding the date the long party acquires the potential Section 871(m) transaction. The Proposed Regulations generally would apply to any payments made on or after January 1, 2016. In the case of a Specified ELI, the Proposed Regulations would apply to payment made after January 1, 2016 on a Specified ELI acquired by the long party on or after March 5, 2014. If adopted, the Proposed Regulations could cause payments under the index-linked Securities or equity-linked Securities that may not be subject to withholding under current rules to be subject to a 30% U.S. withholding tax, or a reduced rate of tax under an applicable treaty.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from payments on index-linked Securities or equity-linked Securities, none of the Issuer, any paying agent or any other person would pursuant to the conditions of the Securities be required to pay additional amounts as a result of the deduction or withholding of such tax.

The rules relating to the treatment of dividends, interest and other fixed or determinable income as income from sources within the United States are complex, and no assurance can be given that income on Securities will not be treated as U.S. source income subject to U.S. withholding tax under other rules. In addition, changes in applicable U.S. federal, state and local tax laws and interpretations thereof may result in the application of U.S. withholding and other taxes with respect to the Securities.

Payments under the Securities may be subject to withholding tax pursuant to the Foreign Account Tax Compliance Act (FATCA)

Under Sections 1471-1474 of the United States Internal Revenue Code of 1986 (commonly referred to as "**FATCA**"), dividend equivalent payments on, and payments of gross proceeds from the disposition of, the Securities made to Issuers and financial institutions serving as intermediaries for such U.S.-related payments may be subject to a 30% withholding tax imposed on "withholdable payments", unless the applicable Issuer or financial institution complies with certain certification, information reporting (disclosure obligation with regard to U.S.-related investors) and other specified requirements. Payments made on certain grandfathered obligations ("**Grandfathered Obligations**") are not subject to FATCA withholding, however. A Grandfathered Obligation includes any obligation outstanding on July 1, 2014, and any obligation that gives rise to a withholdable payment solely because the obliga-

tion is treated as giving rise to a "dividend equivalent" payment under Section 871(m) of the United States Internal Revenue Code and the U.S. Treasury Regulations thereunder executed on or before the date that is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalent payments. Any material modification of such an obligation after such dates will result in it being treated as newly issued or executed, and the loss of its status as a Grandfathered Obligation. The Issuer and financial institutions through which payments on the Securities are made also may be required to withhold at a rate of up to 30% on all, or a portion of, payments made after December 31, 2016 in respect of the Securities if the Securities are significantly modified after the date (the "**Grandfathering Date**") that is six months after the date on which final U.S. Treasury regulations that define the term "foreign passthrough payment" are published in the U.S. Federal Register, or if additional Securities are sold after the Grandfathering Date that are not issued pursuant to a "qualified reopening" for U.S. federal income tax purposes. The application of FATCA in relation to payments under the Securities may be influenced by an intergovernmental agreement ("**IGA**") entered into between the United States and the jurisdiction of the Issuer or other financial institution involved in the payments under the Securities.

On 31 May 2013, the Federal Republic of Germany entered into an IGA with the United States. The German FATCA implementation law has already been published and provides that a further ordinance might be published which currently exists as a draft. Accordingly, any reportings will be exercised through the Federal Central Tax Office (*Bundeszentralamt für Steuern*).

GENERAL INFORMATION

Selling Restrictions

General

No action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required other than the approval of the Base Prospectus by the CSSF and a notification to the countries set forth in the Final Terms under "Terms and conditions of the offer". No offers, sales or deliveries of any Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligation on the relevant Issuer other than the approval and notification(s) mentioned above.

United States of America

- a) The Securities have not been and will not be registered under the Securities Act, and, except as provided in the applicable Final Terms with respect to Securities with a maturity on the issue date of one year or less, may not be offered or sold within the United States or to, or for the account or benefit of, U. S. persons except in accordance with Regulation S under the Securities Act or pursuant to another exemption from, or in a transaction otherwise not subject to, the registration requirements of the Securities Act.
- b) Any person purchasing Securities is deemed to agree with the Issuer and, if different, the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person, (ii) it is not purchasing any Securities for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales or deliveries of any Securities (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

Terms used above have the meanings given to them by *Regulation S*.

- (c) Securities, other than (i) Securities with a maturity of one year or less (including unilateral rollovers or extensions) and (ii) Securities that are issued in registered form in accordance with the provisions of Section 5f.103-1 of the United States Treasury Regulation and the Notice 2012-20, will be issued in accordance with the so-called Excise Tax Exemption pursuant to the provisions of Section 4701(b)(1)(B) of the Internal Revenue Code and Section 1.163-5(c)(2)(i)(D) of the United States Treasury Regulations (formerly known as exception under TEFRA D, "**TEFRA D Rules**") or Section 1.163-5(c)(2)(i)(C) of the United States Treasury Regulations (formerly known as exception under TEFRA C, "**TEFRA C Rules**"), as specified in the applicable Final Terms.

Excise Tax

Internal Revenue Code Section 4701 imposes an excise tax of 1% of the principal amount multiplied by the number of calendar years until the obligation reaches maturity on "registration-required obligations" that are issued after 18 March 2012 and which are not in registered form. In accordance with Notice 2012-20 issued by the U.S. Internal Revenue Service (IRS) certain securities are deemed to be in registered form. Furthermore, the IRS has announced to apply certain exceptional rules (Excise Tax Exemption) for securities which are not in registered form (bearer securities) that will mirror the former TEFRA C and TEFRA D rules.

Notice 2012-20 Requirements

In Notice 2012-20, the IRS has stated that, for obligations issued after 18 March 2012, it intends to issue guidance that certain obligations that are nominally issued in "bearer" form will

be considered to be in registered form for U.S. tax purposes if 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 (bearer) certificates is a clearing organisation, the physical certificates can only be transferred to a successor clearing organisation, 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 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 respectively.

TEFRA D Rules

In addition, in respect of Securities issued in accordance with the TEFRA D Rules, the Issuer represents and agrees the following, and it will require all those persons participating in the distribution of the Securities to represent and agree respectively, namely, that:

- (i) except to the extent permitted under the TEFRA D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Securities in bearer form to a person who is within the United States or its possessions or to a United States 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 United States person, it has represented that it is acquiring the Securities for purposes of resale in connection with their original issuance and if such Distributor retains Securities in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(6);
- (iv) with respect to each affiliate that acquires from such person Securities in bearer form for the purposes of offering or selling such Securities during the restricted period, such person either (x) repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii) and (iii); and
- (v) such person will obtain for the benefit of the Issuer the representations and agreements contained in sub-clauses (i), (ii), (iii), and (iv) from any person other than its affiliate with whom it enters into a written contract, as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4), for the offer and sale of Securities during the restricted period.

Terms used in the above paragraph have the meanings given to them by the United States Internal Revenue Code, as amended, and regulations thereunder, including the *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 the Issuer, such person or purchaser is within the United States or its possessions and will not otherwise involve its United States office in the offer or sale of Securities. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder, including the TEFRA C Rules.

Securities which do not qualify as registered form (bearer securities) issued pursuant to the TEFRA D Rules (other than temporary global securities and securities with a maturity, taking into account any unilateral rights to roll over or extend, of one year or less) and any receipts or coupons appertaining thereto will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area, which has implemented the Prospectus Directive (each, a "Relevant Member State"), the Securities may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), not be offered to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of Securities to the public may be made in that Relevant Member State:

- a) if the Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that relevant Member State (a "Non-Exempt Offer"), following the date of publication of a base prospectus in relation to such Securities, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such base prospectus has subsequently been completed by the Final Terms contemplating such Non-Exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such base prospectus or final terms, as applicable and each Issuer has consented in writing to its use for the purpose of the Non-Exempt Offer;
- b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant person or entity placing or offering the Securities nominated by the relevant Issuer for any such offer; or
- d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that (i) no such offer of Securities referred to in (b) to (d) above shall require the relevant Issuer to publish a base prospectus pursuant to Article 3 of the Prospectus Directive or supplement a base prospectus pursuant to Article 16 of the Prospectus Directive and (ii) in the case of an offer into the Republic of Austria, a notification has been submitted to the Austrian Control Bank (Öster-

reichische Kontrollbank), as set out in the Capital Market Act of 1991 (Kapitalmarktgesetz 1991), at least on banking day prior to the respective offer.

For the purposes of this provision, the expression an "offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

The Issuer represents, warrants and agrees that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

Selling Restrictions Addressing Additional Irish Securities Laws

The Securities shall not be underwritten or placed:

- (a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith and the provisions of the Investor Compensation Act 1998;
- (b) otherwise than in conformity with the provisions of the Companies Act 1963-2013 (as amended), the Central Bank Acts 1942-2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and
- (c) otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland.

Selling Restrictions Addressing Additional Austrian Securities Laws

In addition to the cases described in the Public Offer Selling Restrictions under the Prospectus Directive in which the Securities may be offered to the public in a Relevant Member State (including Austria), the Securities may be offered to the public in Austria only:

- (a) if the following conditions have been satisfied:
 - (i) the Base Prospectus, including any supplements but excluding any Final Terms, which has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "FMA") or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive, has been published at least one Austrian bank working day prior to the commencement of the relevant offer of the Securities to the public;

- (ii) the applicable Final Terms for the Securities have been published and filed with the FMA on or prior to the date of commencement of the relevant offer of the Securities to the public; and
 - (iii) a notification with the *Oesterreichische Kontrollbank Aktiengesellschaft*, all as prescribed by the Austrian Capital Market Act (*Kapitalmarktgesetz*, Federal Law Gazette No. 625/1991, as amended, the "CMA"), has been filed at least one Austrian bank working day prior to the commencement of the relevant offer of the Securities to the public; or
- (b) otherwise in compliance with the CMA.

For the purposes of this Austrian selling restriction, the expression "an offer of the Securities to the public" means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

Selling Restrictions Addressing Additional Czech Securities Laws

No offers or sales of any Securities may be made in the Czech Republic through a public offering, being subject to several exemptions set out in the Act of the Czech Republic No. 256/2004 Coll., on Conducting Business in the Capital Market, as amended (the "**Capital Market Act**"), which under the Capital Market Act comprises any communication to a broader circle of persons containing information on the Securities being offered and the terms under which they may acquire the Securities and which are sufficient for the investor to make a decision to subscribe for, or purchase, such Securities.

No action has been taken or will be taken which would result in the Securities being deemed to have been issued in the Czech Republic or pursuant to Czech law under relevant provisions of the Act of the Czech Republic No. 190/2004 Coll., on Bonds, as amended (the "**Bonds Act**"), and the issue of the Securities qualifying as "accepting of deposits from the public" by the relevant Issuer in the Czech Republic under Section 2(2) of the Act of the Czech Republic No. 21/1992 Coll., on Banks, as amended (the "**Banks Act**"), or requiring a permit, registration, filing or notification to the Czech National Bank or other authorities in the Czech Republic in respect of the Securities in accordance with the Capital Market Act, the Banks Act or practice of the Czech National Bank.

All of the laws of the Czech Republic applicable to the conduct of business in the Czech Republic, including the laws applicable to the provision of investment services (within the meaning of the Capital Market Act) in the Czech Republic, in respect of the Securities have been complied with.

No action has been taken or will be taken which would result in the issue of the Securities being considered an intention to manage assets by acquiring funds from the public in the Czech Republic for the purposes of collective investment pursuant to defined investment policy in favour of the investors under the Act of the Czech Republic No. 240/2013 Coll., on Management Companies and Investment Funds, (the "**MCIFA**"), which implements the Directive 2011/61/EU. Any issue, offer or sale of the Securities has been or will be carried out in strict compliance with the MCIFA.

Selling Restrictions Addressing Additional Poland Laws

Pursuant to Article 7 of the Act on Public Offerings, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005, as amended (consolidated text, J. L. 2009, No. 185, item 1439) (the "Act on Public Offerings"), a public offering or admission of securities to trading on a regulated market requires an issue prospectus to be made available to the public. Pursuant to Article 37 of the Act on Public Offerings, securities of an issuer with its registered office in a Member State for which Poland is a host state may be offered in a public offering or admitted to trading on a regulated market in Poland on completing the passporting procedure described in that act.

Pursuant to Article 3 of the Act of Public Offerings, a "Public Offering" consists of making information available to at least 150 persons or to an unspecified addressee, in any form and manner, about securities and the conditions for the acquisition of them, provided that this information constitutes satisfactory grounds for making a decision on whether to acquire the securities for consideration.

Selling Restrictions Addressing Additional Belgium Laws

Bearer form securities

Bearer securities (including, without limitation, definitive securities in bearer form and securities in bearer form underlying the Securities) shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

Fund-linked securities

Restrictions related to AIFMD/notes linked to AIFs to be discussed.

Securities with a maturity of less than 12 months

With regard to Securities having a maturity of less than 12 months (and which therefore fall outside the scope of the Prospectus Directive), this Prospectus has not been, and it is not expected that it will be, submitted for approval to the Belgian Financial Services and Markets Authority. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed will be required to represent and agree, that it shall refrain from taking any action that would be characterised as or result in a public offering of these Notes in Belgium in accordance with the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

Selling Restrictions Addressing Additional French Securities Laws

Description of the French Selling Restrictions

Each of the Distributors and the Issuer has represented and agreed that, and each further Distributor appointed under the Programme will be required to represent and agree, that: Offer to the public in France

it has only made and will only make an offer of Securities to the public (offre au public) in France in the period beginning (i) when a prospectus in relation to those Securities has been approved by the Autorité des marchés financiers ("AMF"), on the date of its publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, as amended, on the date of notification of such approval to the AMF, all in accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and the Règlement général of the AMF; or

Private placement in France

it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Securities and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (investisseurs qualifiés) other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 of the French Code monétaire et financier.

Authorisation

The establishment of the Euro 50,000,000,000 Debt Issuance Programme of UniCredit Bank AG and the issue of Securities under the Programme were duly authorised by the Group Asset/Liability Committee (ALCO), a subcommittee of the Management Board of HVB, on 17 April 2001. The full EUR 50,000,000,000 authorisation amount of this Programme may also be applied by other base prospectuses of HVB, however, the aggregate utilised amount of this Programme together with any other base prospectuses of HVB under this Programme will not exceed EUR 50,000,000,000.

The establishment of the Programme of UniCredit International Luxembourg and the issue of Securities under that Programme were duly authorised by the resolutions of the Board of Directors of UniCredit International Luxembourg dated 24 July 2014. The Programme, including the giving of the Guarantee was duly authorised by the resolutions of the Board of Directors of UniCredit as Guarantor dated 21 January 2014 and 13 February 2014.

Availability of Documents

Copies of the articles of association of each of the Issuers and the Guarantor, the consolidated annual reports in respect of the fiscal years ended 31 December 2012 and 2013 of HVB Group, the unconsolidated annual financial statements of HVB Group in respect of the fiscal year ended 31 December 2013 prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*), the audited consolidated financial statements of UniCredit International Luxembourg as at and for the financial years ended 31 December 2013 and 31 December 2012, the audited consolidated reports and accounts of UniCredit as at and for the financial years ended 31 December 2013 and 31 December 2012, the latest unaudited consolidated interim accounts of the Issuers and the Guarantor, the forms of the Global Notes, the Final Terms and the Agency Agreement, as amended and restated, will be available during usual business hours on any weekday (except Saturdays and public holidays) at the offices of each of the Issuers and of BNP Paribas Securities Services, Luxembourg Branch in its capacity as listing agent for the Securities. For the validity of this Base Prospectus, all documents 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) and at the offices of UniCredit International Bank (Luxembourg) S.A. (8-10 rue Jean Monnet, L-2180 Luxembourg). The documents incorporated by reference with regard to the Guarantor will be available for inspection in the English language, free of charge, at the offices of the UniCredit S.p.A. (Via A. Specchi 16, 00186, Rome, Italy).

In addition, copies of this Base Prospectus, each Final Terms relating to Securities which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference with regard to UniCredit International Luxembourg as well as UniCredit are available on the Luxembourg Stock Exchange's website (www.bourse.lu).

Clearing System

Securities may be cleared through Euroclear Bank SA/NV as operator of the Euroclear system (1 Boulevard du Roi Albert IIB, 1210 Brussels, Belgium) ("Euroclear Bank"), Clearstream Banking S.A., Luxembourg (42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg) ("Clearstream Banking SA" or "CBL") or Clearstream Banking AG, Frankfurt am Main (Mergenthalerallee 61, 65760 Eschborn, Germany) ("Clearstream Banking AG" or "CBF"), Euroclear France SA (66 Rue de la Victoire, 75009 Paris, France) ("Euroclear France") and/or any alternative clearing system as specified in the Final Terms. The appropriate security identification codes for each Series of Securities will be contained in the Final Terms. The 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.

The French Paying Agent for Euroclear France S.A. is CACEIS Bank S.A., 1-3 rue place Valhubert, 75206 Paris Cedex 13, France.

The Calculation Agent under the Programme is UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany.

The Luxembourg Listing Agent under the Programme is BNP Paribas Securities Services, Luxembourg Branch, 33, Rue de Gasperich L-5826 Hesperange 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 the Financial Position of the Issuers and, if the Securities are Guaranteed Securities, the Guarantor and Trend Information

The performance of the Issuers and the Guarantor will depend on the future development on the financial markets and the real economy in 2014 as well as other remaining imponderables. In this environment, the Issuers and the Guarantor will continuously adapt their business strategy to reflect changes in market conditions and carefully review the management signals derived from this on a regular basis.

There has been (i) no significant change in the financial position of HVB Group which has occurred since 30 June 2014, and (ii) no material adverse change in the prospects of HVB Group since the date of the last published audited financial statements of 31 December 2013.

There has been no significant change in the financial or trading position of UniCredit International Luxembourg and there has been no material adverse change in the prospects of UniCredit International Luxembourg since 31 December 2013.

There has been no significant change in the financial or trading position of UniCredit and the UniCredit Group since 30 June 2014 and there has been no material adverse change in the prospects of UniCredit and the UniCredit Group since 31 December 2013.

Confirmation with regard to the conflict of interest statement and the statement regarding the legal and arbitration proceedings

The conflict of interest statement and the statement regarding the legal and arbitration proceedings on pages 22 and 23 et seq. of the Registration Document incorporated by reference herein are up-to-date as at the date of approval of this Base Prospectus.

The paragraphs "Conflicts of Interest" at pages 229 to 230 and 238 of the base prospectus dated 2 July 2014 relating to the EMTN Programme and incorporated by reference herein are up-to-date as at the date of approval of this Base Prospectus.

The paragraph "Litigation" at page 278 of the base prospectus dated 2 July 2014 relating to the EMTN Programme and incorporated by reference herein is up-to-date as at the date of approval of this Base Prospectus. Except as disclosed in the base prospectus dated 2 July 2014 relating to the EMTN Programme from page 197 to page 218 and in Note E to the Consolidated Accounts contained in its Audited Consolidated Annual Financial Statements as at and for the Financial Year ended 31 December 2013, which are incorporated by reference in this Base Prospectus, neither UniCredit International

Luxembourg nor the Guarantor are or have been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which UniCredit International Luxembourg or the Guarantor is aware) in the 12 months preceding the date of the approval of this Base Prospectus which, according to the information available at present, may have or have had in such period a significant effect on the financial position or profitability of UniCredit International Luxembourg or the Guarantor.

Interest of Natural and Legal Persons involved in the Issue/Offer

Any of the Distributors and their affiliates may be customers of, and borrowers from the Issuers and their affiliates. In addition, any of such Distributors and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer 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 net proceeds from each issue of Securities by the Issuers will be used for their general corporate purposes.

Information incorporated by reference in this Base Prospectus

The following information shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus. Parts of such documents whose information is not incorporated by express reference are not relevant for potential investors.

| | Pages of the document: | Incorporation of information in this Base Prospectus on the following pages: |
|---|-------------------------------|---|
| Registration Document of UniCredit Bank AG, dated 25 April 2014, approved by the Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>)¹⁾ | | |
| Risk Factors | | |
| - Risks relating to HVB Group | p. 3 to 17 | p. 46 |
| UniCredit Bank AG | | |
| - Information about HVB, the parent company of HVB Group | p. 17 | p. 77 |
| Business Overview | | |
| - Principal Activities | p. 18 | p. 77 |

| | Pages of the document: | Incorporation of information in this Base Prospectus on the following pages: |
|--|-------------------------------|---|
| - Business segments of HVB Group | p. 18 to 20 | p. 77 |
| - Principal Markets | p. 21 | p. 77 |
| - Management and Supervisory Bodies | p. 21 to 22 | p. 77 |
| - Major Shareholders | p. 22 | p. 77 |
| - Auditors | p. 23 | p. 77 |
| - Legal Risks/Arbitration Proceedings | p. 23 to 26 | p. 77 |
| Audited financial statements of HVB Group for the fiscal year ended 31 December 2012²⁾ | | |
| - Consolidated Income Statement | p. 116 to 117 | p. 77 |
| - Consolidated Balance Sheet | p. 118 to 119 | p. 77 |
| - Statement of Changes in Consolidated Shareholders' Equity | p. 120 to 121 | p. 77 |
| - Consolidated Cash Flow Statement | p. 122 to 123 | p. 77 |
| - Notes to the Consolidated Financial Statements | p. 124 to 238 | p. 77 |
| - Auditor's Certificate | p. 239 | p. 77 |
| Audited financial statements of HVB Group for the fiscal year ended 31 December 2013²⁾ | | |
| - Consolidated Income Statement | p. 110 to 111 | p. 77 |
| - Consolidated Balance Sheet | p. 112 to 113 | p. 77 |
| - Statement of Changes in Consolidated Shareholders' Equity | p. 114 to 115 | p. 77 |
| - Consolidated Cash Flow Statement | p. 116 to 117 | p. 77 |
| - Notes to the Consolidated Financial Statements | p. 118 to 248 | p. 77 |
| - Auditor's Certificate | p. 249 | p. 77 |

| | Pages of the document: | Incorporation of information in this Base Prospectus on the following pages: |
|---|---|---|
| <p>Audited unconsolidated financial statements (Jahresabschluss) of Unicredit Bank AG for the fiscal year ended 31 December 2013²⁾</p> <ul style="list-style-type: none"> - Income Statement - Balance Sheet - Notes - Auditor's Report | <p>p. 80 to 81</p> <p>p. 82 to 87</p> <p>p. 88 to 138</p> <p>p. 139</p> | <p>p. 77</p> <p>p. 77</p> <p>p. 77</p> <p>p. 77</p> |
| <p>Base prospectus of UniCredit Bank AG dated 21 February 2014 for the issuance of Worst-of Bonus Securities, Worst-of Express Securities and Worst-of Express Cash Collect Securities)</p> <p>The description of indices composed by the Issuer or by any legal entity belonging to the same group</p> <ul style="list-style-type: none"> - Cross Commodity Long/Short Index | <p>p. 379 to 383</p> | <p>p. 289</p> |
| <p>60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 2 July 2014, approved by the Commission de Surveillance du Secteur Financier (the "CSSF")</p> <ul style="list-style-type: none"> - Risk Faktors - The description of UniCredit International Bank Luxembourg - The description of UniCredit and the UniCredit Group <p>First Supplement dated 13 August 2014 to the 60,000,000,000 Euro Medium Term Note Programme of UniCredit S.p.A., UniCredit Bank Ireland p.l.c. and UniCredit International Bank (Luxembourg) S.A. dated 2 July 2014</p> | <p>p. 43 to 62</p> <p>236 to 238</p> <p>187 to 232</p> <p>All</p> | <p>p. 46</p> <p>p. 77</p> <p>p. 77</p> <p>p. 77</p> |

| | Pages of the document: | Incorporation of information in this Base Prospectus on the following pages: |
|--|-------------------------------|---|
| Unaudited Consolidated Half-Year Financial Report of HVB Group as at 30 June 2014 | | |
| - Financial Highlights | p. 3 | p. 77 |
| - Consolidated Income Statement | p. 50 to 53 | p. 77 |
| - Consolidated Balance Sheet | p. 54 to 55 | p. 77 |
| - Statement of Changes in Shareholders' Equity | p. 56 to 57 | p. 77 |
| - Consolidated Cash Flow Statement | p. 58 | p. 77 |
| - Notes | p. 59 to 82 | p. 77 |
| Audited Consolidated Financial Statements of UniCredit International Bank (Luxembourg) S.A. as at and for the financial year ended 31 December 2013 | | |
| - Consolidated statement of financial position | p. 12 | p. 77 |
| - Consolidated statement of comprehensive income | p. 13 | p. 77 |
| - Consolidated statement of changes in equity | p. 14 to 15 | p. 77 |
| - Consolidated statement of cash flows | p. 16 to 17 | p. 77 |
| - Notes to the consolidated financial statements | p. 18 to 54 | p. 77 |
| - Report of the <i>réviseur d'entreprises agréé</i> | p. 10 to 11 | p. 77 |
| Audited Consolidated Financial Statements of UniCredit International Bank (Luxembourg) S.A. as at and for the financial year ended 31 December 2012 | | |
| - Consolidated statement of financial position | p. 1 | p. 77 |
| - Consolidated statement of comprehensive income | p. 2 | p. 77 |
| - Consolidated statement of changes in equity | p. 3 to 4 | p. 77 |

| | Pages of the document: | Incorporation of information in this Base Prospectus on the following pages: |
|---|----------------------------------|---|
| - Consolidated statement of cash flows | p. 5 to 6 | p. 77 |
| - Notes to the consolidated financial statements | p. 7 to 41 | p. 77 |
| - Report of the <i>réviseur d'entreprises agréé</i> | Pages not numbered in the Report | p. 77 |
| Consolidated Reports and Accounts of UniCredit S.p.A. as at and for the fiscal year ended 31 December 2013 | | |
| - Consolidated Balance Sheet | p. 82 to 83 | p. 77 |
| - Consolidated Income Statement | p. 84 | p. 77 |
| - Consolidated Statement of Comprehensive Income | p. 85 | p. 77 |
| - Statement of Changes in Shareholders' Equity | p. 86 to 87 | p. 77 |
| - Consolidated Cash Flows Statement | p. 88 to 89 | p. 77 |
| - Notes to the Consolidated Accounts | p. 91 to 528 | p. 77 |
| - Consolidated Financial Statements Certification | p. 545 to 547 | p. 77 |
| - Report of External Auditors | p. 549 to 551 | p. 77 |
| Consolidated Reports and Accounts of UniCredit S.p.A. as at and for the fiscal year ended 31 December 2012 | | |
| | | p. 77 |
| - Consolidated Balance Sheet | p. 88 to 89 | p. 77 |
| - Consolidated Income Statement | p. 90 to 91 | p. 77 |
| - Consolidated Statement of Comprehensive Income | p. 91 | p. 77 |
| - Statement of changes in Shareholders' Equity | p. 92 to 93 | p. 77 |
| - Consolidated Cash Flow Statement | p. 94 to 95 | p. 77 |
| - Notes to the Consolidated Accounts | p. 97 to 484 | p. 77 |

| | Pages of the document: | Incorporation of information in this Base Prospectus on the following pages: |
|--|-------------------------------|---|
| - Report of External Auditors | p. 510 to 511 | p. 77 |
| Unaudited Consolidated First Half Financial Report of UniCredit S.p.A. as at 30 June 2013 | | |
| - Consolidated Balance Sheet | p. 48 to 49 | p. 77 |
| - Consolidated Income Statement | p. 50 | p. 77 |
| - Consolidated Statement of Comprehensive Income | p. 51 | p. 77 |
| - Statement of changes in Shareholder's Equity | p. 52 to 53 | p. 77 |
| - Consolidated Cash Flow Statement | p. 54 to 55 | p. 77 |
| - Explanatory Notes | p. 57 to 228 | p. 77 |
| - Report of External Auditors | p. 247 to 249 | p. 77 |
| Unaudited Consolidated First Half Financial Report of UniCredit S.p.A. as at 30 June 2014 | | |
| - Consolidated Balance Sheet | p. 50 to 51 | p. 77 |
| - Consolidated Income Statement | p. 52 to 53 | p. 77 |
| - Consolidated Statement of Comprehensive Income | p. 53 | p. 77 |
| - Statement of changes in Shareholder's Equity | p. 54 to 55 | p. 77 |
| - Consolidated Cash Flow Statement | p. 56 to 57 | p. 77 |
| - Explanatory Notes | p. 59 to 314 | p. 77 |
| - Report of External Auditors | p. 338 to 339 | p. 77 |

¹⁾ The document is published on the following website of the Issuer: <http://www.onemarkets.de/de/produkte/rechtliche-hinweise/basisprospekte.html>

²⁾ The document is published on the following website of the Issuer: <http://investors.hypovereinsbank.de/cms/german/investorrelations/index.html>

The information incorporated by reference has previously been filed with the CSSF within the context of a procedure for approval of the Base Prospectus for the issue of Credit Linked Securities under the Euro 7,000,000,000 Credit Linked Securities Programme of UniCredit Bank AG and the Euro

7,000,000,000 Credit Linked Securities Programme of UniCredit International Bank (Luxembourg) S.A. dated 19 August 2014.

For the avoidance of doubt the content of the websites referred to in this Base Prospectus does not form part of the Prospectus.

THE ISSUERS

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Kardinal-Faulhaber-Straße 1
80333 Munich
Germany

UniCredit International Bank (Luxembourg) S.A..
8-10 rue Jean Monnet
L-2180
Luxembourg

THE GUARANTOR

UniCredit S.p.A.
Via A. Specchi, 16
00186 Rome
Italy

CALCULATION AGENT

UniCredit Bank AG
Arabellastrasse 12
81925 München
Germany

PRINCIPAL PAYING AGENT

UniCredit Bank AG
Arabellastrasse 12
81925 München
Germany

or

Citibank, N.A., London Branch
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

CACEIS Bank S.A.
(as French Paying Agent for Euroclear France S.A.)
1-3 rue place Valhubert
75206 Paris Cedex 13
France

LUXEMBOURG LISTING AGENT

BNP Paribas Securities Services
33, Rue de Gasperich
L-5826 Hesperange
Luxembourg

AUDITORS

Auditors of UniCredit AG
KPMG AG Wirtschaftsprüfungsgesellschaft
Ganghoferstraße 29
80339 Munich
Germany

Auditors of UniCredit International Luxembourg
Deloitte Audit S.à. r.l.
560, Rue de Neudorf
L-2220
Luxembourg